

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, MARCH 10, 2015 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

PAGE	I.	CALL TO ORDER
	II.	ROLL CALL
1 - 12	III.	MINUTES
	A.	FEBRUARY 10, 2015
	IV.	PUBLIC INPUT
	V.	PETITIONS & COMMUNICATIONS
	A.	MONTHLY REPORTS - RES NO. 2015-10
13 - 14	1.	PORTFOLIO VALUE - 1/1/15 - 2/28/15
15	2.	CHANGE IN BOOK AND MARKET VALUE - 1/31/15
	3.	MONEY MANAGERS ON WATCH
	a.	NONE
17 - 57	4.	MONEY MANAGER REPORTS
	a.	BAIRD - QUARTER ENDING 12/31/14
	b.	CORNERSTONE - ENDING 1/31/15
	c.	EAGLE ASSET MGMT - ENDING 1/31/15
	d.	GENEVA - ENDING 12/31/14
	e.	HOTCHKIS & WILEY - ENDING 1/31/15
	f.	LOOMIS SAYLES - ENDING 1/31/15
	g.	MFS INVESTMENT - ENDING 1/31/15
	h.	MFS HERITAGE TRUST - ENDING 1/31/15
	i.	MACKAY SHIELDS - ENDING 1/31/15
58 - 64	5.	RECAPTURE SERVICES
	a.	ABEL/NOSER - SUMMARY ENDING 1/31/15
	b.	CAPIS - SUMMARY ENDING 1/31/15
65 - 70	6.	NORTHERN TRUST
	a.	SUMMARY EARNINGS - ENDING 1/31/15
71	7.	REFUNDS/RETIREMENTS - ENDING 2/28/15
72 - 77	8.	BCERS YTD BUDGET REPORT - ENDING 2/28/15
78	9.	APPROVED EXPENSES - 2/28/15
	B.	THE BOGDAHN GROUP
79	1.	BAY COUNTY IPS - RES NO. 2015-11
80	2.	PRUDENTIAL (PRISA) FUNDING - RES NO. 2015-12
	C.	CORPORATION COUNSEL
81 - 82	1.	MUNICODE - RES NO. 2015-13

BAY COUNTY RETIREMENT BOARD OF TRUSTEES AGENDA
TUESDAY, MARCH 10, 2015 @ 1:30 P.M.
COMMISSIONERS CHAMBERS
515 CENTER AVENUE - 4TH FLOOR
BAY CITY, MI 48708

83 - 88

D. CORRESPONDENCE REBALANCE ASSET ALLOCATION

1. COLUMBIA MANAGMENT
2. MFS INVESTMENT MANAGEMENT
3. MFS INTERNATIONAL GROWTH
4. SCHRODERS

89 - 90

E. MAPERS SPRING CONFERENCE

1. REGISTRATION FORMS - PLEASE CONTACT
REBECCA IF YOU WISH TO ATTEND

VI. ANNOUNCEMENTS

- A. NEXT REGULAR MEETING - APRIL 14, 2015 AT 1:30 P.M.,
COMMISSIONERS CHAMBERS, 515 CENTER AVENUE 4TH
FLOOR, BAY CITY, MI 48708

VII. UNFINISHED BUSINESS

VIII. NEW BUSINESS

IX. MISCELLANEOUS BUSINESS

X. ADJOURNMENT

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - **REGULAR MEETING**
PAGE 1

NOTE: In addition to these typed minutes, this board meeting was also taped. These tapes are available for review in the Retirement Office

A meeting of the Board of Trustees was held on February 10, 2015 at 1:30 p.m. in the Commission Chambers, 4th Floor, Bay County Building, 515 Center Avenue, Bay City, Michigan. Roll call taken.

Trustees Present: Mr. Herek, Mr. Morse, Mr. Pett, Mr. Starkweather, and Ms. Goetz.

Trustees Absent: Mr. Gray, Mr. Brzezinski, Mr. Gromaski.

Also Present:

Consultant: The Bogdahn Group: Howard Pohl and Peter Brown
Finance Officer: Crystal Hebert
Retirement Administrator: Rebecca Marsters
Corporate Counsel: Shawna Walraven

The meeting was called to order by Trustee, Kim Coonan, acting Chairperson, at 1:33 p.m.

Roll call was taken. Chairman Steve Gray, Co-Chair Richard Brzezinski and Trustee Gromaski were all excused by acting chair, Trustee Coonan.

MOTION 14: Moved, supported and carried to approve the minutes, as printed, from the January 13, 2015 meeting.

Trustee Morse departed the meeting at 1:45 p.m.

Trustee Coonan called for public input. Seeing as there was no public input, he moved onto petitions and communications.

Present today were Mr. Howard Pohl and Mr. Peter Brown consultants from The Bogdahn Group to present the 2014 fourth quarter report. A copy was provided to all Trustees, in advance, via the web.

Mr. Pohl talked about the market results for the last quarter and the last year. Looking at the Fund for the last three months, the quarter started with just under \$300 million and a little over \$3 million was withdrawn for expenses and payments of pensions. There was an \$11.7 million return on investment income plus appreciation to end up the year at a little over \$308 million.

Looking at the last 12 months, the Fund started the year with \$295.5 million. There was a little over \$12.4 million being withdrawn. That is very typical in a mature pension plan where the contributions are less than the distributions for benefits and expenses. There was over \$25 million of return on investment, a very strong return in that regard.

Looking at the major asset categories, a little over 56% in domestic equities

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - **REGULAR MEETING**
PAGE 2

and another 10% plus in international. The fixed income being slightly over 25% of the portfolio and about 4.5% in the REITs and a small amount of cash. The cash is used basically for distributions for various expenses.

Mr. Pohl talked about the weightings. The Fund is close to 9% overweight in domestic and just about 9% underweight in international. Also underweight is Prudential, the U.S. real estate, which is going to be in the Prudential Real Estate Fund. They sent a letter here recently saying they would be calling some if not all of the Retirement Systems's 5% exposure at the end of the quarter, the March 31st valuation.

The Bogdahn Group talked over with staff in terms of some re-balancing to get back to a little bit closer to target. What they are suggesting, going along with the targets established a little over a year ago, would be taking roughly 2.5% each out of Columbia and MFS domestic equity and moving that to Vanguard. That would take a little bit of the overweight from those two managers and get Vanguard a little bit closer to their target moving 5% in there. In addition, they would take another 2.5% each from Columbia and MFS and move that 5% into International taking the fund about half way to the target moving from a 10% plus to a little over 15%. At the end of this month, the Fund will probably need about another 1% for cash distributions and will probably have to raise the money for the Prudential Real Estate. To do that, there is a slight overweight in the REIT as well as in the convertible fund. They would be using that money to fund the Prudential. Mr. Pohl thinks they are in pretty good shape from a target standpoint.

Comparative performance shows the Fund for the quarter was up 3.92%. It was in the top 3% of all plans in the nation in terms of the performance last quarter. The total return for the year was 8.73% ranking in the top 16% top quartile relative to all plans. Over the last five years, it has been compounding at 12.4% a year and ranking in the top 3%. The bottom line is the Fund is about 1.8% or 1.9% above the policy index and almost 3% above the median fund in the nation compounded annually. Those are huge dollars.

The retirement fund total compared to everyone and other funds with a similar mix showed the Fund is in the top decile 1% or 2% for most of the time across almost all the time periods. The bottom line has been excellent for the Fund both in terms of absolute returns and relative performance. One of the key characteristics is that the Board is patient. The overall results here by policy and by selection of managers has worked out well.

Looking at total domestic equity line, the total Fund was just about a third for the quarter and fractionally below the median for the year. For the last five years, the total domestic equities would rank in the top third. Very good results in that regard.

He went over the individual managers performance. Columbia had top 40%, Vanguard top 19%. MFS was a little bit below average. Integrity was about average but top 13% for the last five years. Geneva started out with a poor track record. They did not do particularly well. He stated they are

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - REGULAR MEETING
PAGE 3

continuing to look at Geneva, but would not be suggesting any changes there. Hotchkis & Wiley was one of the top managers in the country. They were in the very first percentile compared to other small cap managers. They have been in the top one percentile for the last five years. Eagle was top third for this year.

In terms of domestic fixed income, Loomis Sayles was about the middle of the pack last year, but for the last five years was above average. Baird top quartile, top third. Convertibles, Mackay had a streak of a few years where they didn't perform. They came roaring back last year with top docile type performance. Hopefully that will continue and we will continue to watch. Cornerstone Real Estate generally top quartile, top third going back in time. Adding them all up, an excellent year for all your managers. Longer term results generally very strong. No candidate that we are suggesting any changes with in terms of terminating them or allocation changes.

Mr. Pohl answered questions of the Trustees.

Trustee Starkweather asked in regard to needing to put \$10 million in real estate and with interest rates down why they were not hitting the fixed income a little heavier and reallocating funds out of fixed income.

Mr. Pohl stated he thought interest rates over the past few years would go up and he has been wrong. The Fund has 25% of the portfolio in fixed income. He believes that is a reasonable place, especially in line with the markets. They have had 6 years of good runs and he believes the markets are still reasonably priced stock markets. The economy is doing well and should expand and he thinks the returns will be reasonable. Most of the prognosticators are not suggesting any kind of double digit returns again in domestic equities. He stated he liked to have a little bit more conservative posture with the kind of markets that were present in the beginning of the year. He stated they did the investment policy asset allocation as a long-term kind of projection. They certainly do not want to put their head in the sand and not pay attention to what is going on out in the real world. He believes the overall mix is fine.

Mr. Brown stated that currently they are right at the allocation for fixed income or a little under. To fund the real estate, they are going to be using the over exposure - convertibles and the public REITs. One could argue that those are kind of alternatives, semi-fixed income alternatives with the convertibles to fund the real estate. REITs are kind of a hybrid. They have obviously small-cap attributes, but they pay a nice dividend and fixed income attributes and those two together are going to be funding the new private equity real estate. They are not advocating putting more into fixed income nor are advocating putting less into fixed income. He stated it is nice to have that 25% or so in fixed income as a shock absorber to protect against the volatility of the fixed income.

Trustee Coonan stated the Fund is in third percentile, you can't time the markets, and the patience that Mr. Pohl stated is important. That is why we are in the third percentile. He stated when you are in the third percentile, he didn't think they should question anything.

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - **REGULAR MEETING**
PAGE 4

Ms. Hebert asked if now was a good time to be under funded in international equity based on the performance.

Mr. Pohl: In 20/20 hindsight, we were fortunate to be under because international has not done as well as domestic. Two and a half years ago when everybody was talking about REITs and Spain and Italy and all the defaults and so forth, with all the bad news all of a sudden the international took off like crazy. He stated he cannot time it that well and if we do what we said we were going to do we are going to go from roughly 10.5% to 15.5% in international and that is still roughly 5% below our target. The reason not to go feet first and put it all in is old fashioned dollar cost averaging.

Mr. Brown stated on a relative basis, the international markets right now are valued at about a 10 price per earnings and the domestic markets large cap S&P 500 are kind of at 17. International looked cheap it has been beaten up. One case dollar cost average. It is against everyone's gut reaction. You are thinking boy it just got beaten up, but that is really successful investing going against the herd.

Mr. Pohl and Mr. Brown answered questions from Trustees and concluded the presentation.

MOTION 15: Moved, supported and carried to receive the report from The Bogdahn Group

RES. 2015-5: Moved supported and carried to adopt resolution 2015-5 to receive the following monthly reports: Portfolio value ending 1/31/2015 (value today \$307,372,000); Change in Book & Market Value; Money Managers on Watch - None; Money managers reports: Cornerstone, Eagle Asset Management, Geneva, Hotchkis & Wiley, Integrity, MFS Heritage Trust, MFS Investment, Mackay Shields all ending 12/31/2014; Recapture Services: Abel/Noser, CAPIS ending 12/31/2014; Refunds & Retirements ending 1/31/2015; BCERS YTD Budget Report ending 1/31/2015 and Approved Expenses ending 1/31/2015.

Next item from The Bogdahn Group was the consent agreement to change internal control. Mr. Pohl reviewed that last month they stated that Chairman Joe Bogdahn would be selling his shares to Mike Welker, CEO, who has been running the firm for the past three years. Joe will step back from day-to-day activities and continue to own 5%. Because he was the majority shareholder, the idea of this was to sell his shares to Mike, who will develop a program to have a much broader employee ownership in the future. The idea is that everyone who is offered to have an opportunity to be an owner of Bogdahn, a much broader ownership. There is no change in management. Because the FCC states it is a change of "internal control" we have to notify you and get approval.

Trustee Starkweather is willing to make this motion subject to approval and review of legal counsel thereby authorizing the chair to sign it, but he would like counsel to review the document.

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - **REGULAR MEETING**
PAGE 5

RES. 2015-6 Moved, supported and carried to adopt resolution 2015-6 to approve the Client Consent and Acceptance Agreement of The Bogdahn Group authorizing the Chair to sign the agreement subject to legal review.

Next on the agenda was the Bay County Investment Policy and Amendment. Mr. Brown went over the revised investment policy statement. The reason for this is to conform the previous investment policy statement from Becker Burke into the Bogdahn format. As a result, there are really no significant changes in terms of portfolio construction, portfolio oversight or asset allocation. Those all remain the same. They confirmed that they are appropriate and remain consistent with the State Statutes Public Act 314 et cetera. They transitioned the specific allocations. He went over the matrix that highlighted very broad level asset allocation targeting domestic equities, international, fixed income, real estate, etc. They provide broad-based ranges to always remain within the guidelines. In more detail it showed roles and responsibilities of the Board, the consultants, and using third-party professionals. One of the main things shown on page 107 of the agenda was criteria for investment management review. Included are 17 items where they try to remove the objectivity and make it more of a subjective review of managers as to when to consider replacing them, when to put them on watch etc. It was made easier for the Board and for The Bogdahn Group as professionals. Lastly, the appendix on page 109 shows a more detailed matrix that really highlighted the individual asset classes of how the portfolio is constructed. He stated these were all the same that were previously approved in November 2013 with Becker Burke. The parentheses and letters refer to State Statutes to make sure they are within the guidelines. The last part of it there are 10 investment manager addendums. This addendum is sent out to each investment manager that has a separate account. Not the mutual funds, but a separate account and they highlight on a very broad base that their goal is to match x, y and z and the strategy is a, b, c for large cap growth, domestic stocks, fixed income whatever it may be and they sign off on it. They also sign off on the underlying benchmark. That is their strategy. This provides another road map in overseeing the managers that we all signed off and understand why they were hired and what strategy to try and eliminate and prevent any investment accretive. Lastly, we are benchmarking now just to the index itself whether it be in the Russell 1000 growth or the Russell 1000 value. We eliminated index plus a percentage. We removed the formality of that calculation because it is difficult for us to comply with internal compliance.

Mr. Brown stated the reason they have all the addendums and the matrixes is that the investment policy stands as kind of a "global umbrella road map" and that guides them as to how they are going to construct and monitor the portfolio. The addendums are the underlying building blocks and if they need to replace, remove or hire new managers, they just replace the addendum. They will not have to go back every time and change the IPS. They plan to review the IPS on an annual basis and update it as needed. That, in itself, should really remain in place. It is really the foundation of the plan. He clarified for the Board they had been working with Ms. Walraven since mid fall.

Trustee Coonan asked for Ms. Walraven's position on the changes.

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - **REGULAR MEETING**
PAGE 6

Ms. Walraven stated they have been working on it for quite a while. She believes that most of the questions that they have had have been addressed. They have been trying to anticipate what questions the Board would have. That is why they are giving it to the Board with no action today hoping the Board will review it and let them know if there are any questions. She stated it complies with State Statutes. It complies with asset allocations that the Board has previously approved and she is very comfortable with this. She stated the idea of the addendums as proposed so that we can change sort of easily without changing the larger policy was a great idea.

Mr. Brown clarified no action was needed today. He asked the Board to review it and let them know questions in the next couple of weeks so they could be addressed at the March meeting and hopefully put it in place and execute it.

Trustee Starkweather wanted to make a motion to defer this to the next meeting.

Trustee asked about taking out the plus points for the benchmark. There was also the watch list or being put on notice, the three and five-year returns being below the 50th percentile and he asked if that was in the old policy.

Mr. Brown stated no it was not in the old policy. Those 15 or 17 items are part of the standard Bogdahn Investment Policy.

Trustee asked if the percentage was kind of replacing the standard.

Mr. Pohl: Yes, you go through that same . . . one is on a relative basis to the numbers and one is relative to an index. On the other hand, none of these - if something happens after three years, five years whatever that is a trigger - that does not mean you have to fire somebody. It just says, hey let's look at it.

Mr. Brown stated this is very consistent with what they have done with all of their Michigan clients whether it is Wayne County, the Road Commission of Oakland County, The Bay City Police & Fire.

Ms. Walraven asked if anyone had questions to email them to her and she would make sure to get them to the group that has been working on this (Howard, Peter and Crystal).

MOTION 16: Moved, supported and carried to receive the Bay County IPS and amendment.

Next item was Corporation Counsel the amendment to BCERS ordinance regarding the Department of Water and Sewer requesting a change to the ordinance in the area of the purchase of Government Service Time. They are proposing a change for their two groups. One is a union group and one is a general group. They are proposing to change the amount of government service time to be purchased by current employees to be limited to 10 years. Currently there are unlimited number of years available to purchase. They are also proposing to eliminate that benefit for new hires. The Board of Commissioners is tasked with changing the ordinance so this will be proposed to them. It was previously proposed at the Ways & Means and was referred to the full Board Meeting today. Mr. Tom

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - REGULAR MEETING
PAGE 7

Page was present to answer any questions about it.

Trustee Starkweather asked who had standing in this. He asked if this was the request of the Dept of Water & Sewer or the request from the County Commission.

Ms. Walraven stated the request was by the Dept of Water & Sewer as an entity to the County Commission. Ms. Walraven is presenting it as an item to be received and if a recommendation was made, it would be passed on to the Board of Commissioners.

Trustee Starkweather asked if all requests for change in the Retirement program have to go through the County Commission or could it be done by the individual member groups.

Ms. Walraven stated it could not be done by individual members. They agree when they join the retirement system to be bound by the retirement ordinance which is under the purview of the County Board of Commissioners.

Trustee Starkweather stated that their ordinance says they are independent.

Ms. Walraven stated the mechanism of creation is that the County Board of Commissioners delegates their authority to this Board with the exception . . .

Trustee Starkweather stated if it was delegated to this Board, they cannot un-delegate it.

Ms. Walraven stated that they can un-delegate it and delegate it to whomever they would like or they could take on the task themselves. Currently they have delegated their responsibility to the Retirement Board with exception of changes in the ordinance as the governing document. The Board of Commissioners is still tasked with amending our governing documents where they delegate all their power to the Retirement Board.

Trustee Starkweather - In concept, you are saying that anyone of the eight or nine groups that are in here - if they want to modify their retirement program - it has to be run through the Board of Commissioners first.

Ms. Walraven stated for any general provisions. There are provisions in our ordinance such as multipliers, years of vesting, those types of things are superceded. Their collective bargaining agreements can supercede our ordinance but in general provisions where there is no - for lack of better term - carve out for the collective bargaining agreement to proceed. Those are general provisions that all entities are bound by. The purchase of government service time is one of those general provisions.

Mr. Starkweather stated there was a situation not too long ago where an individual made application for retirement and never ran it through his department and it came into here and we voted on it.

Ms. Walraven asked if he was talking about a disability retirement and Mr. Starkweather, yes. Ms. Walraven stated this is a separate issue, but to address that question - when someone applies for a disability retirement, they

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - REGULAR MEETING
PAGE 8

are unsure at the time of application if that will be approved or not. We have some privacy laws obviously that govern our responsibility and our obligation to disclose any of those things to the entity. The situation that I think you are talking about was approved and they did inform their department head. We cannot until it becomes public, inform the individual entity because of the privacy concerns with medical information.

Trustee Starkweather states this is for future discussion.

Trustee Pett asked regarding Public Act 314 if there is a change to a benefit if there had to be an actuarial impact study. Would we need an impact study?

Ms. Walraven stated no, an actuarial impact study is not required in this instance. We did talk to the actuary and had a conference call about what the benefits would be to having a study and about the cost. I think the consensus of the group was it was not as valuable as the cost might be, but it is not necessarily the end of the discussion.

Trustee Pett stated his concern was who would pay for the study.

Ms. Walraven stated the System would not pay for the study. The DWS understands if one is done, that they will have to do that.

Trustee Herek asked why the Retirement Board was receiving this before it went to the Board of Commissioners.

Ms. Walraven stated that previously the Board didn't have any sort of information or input on this. She brought it up to Chairman Gray and Co-Chair Brzezinski that because it is retirement and because it is affecting the Board and that this Board would want to be informed. She stated although it is purely informational, you could make a recommendation that we pass on.

Trustee stated it was good information and he agreed with Ms. Walraven. He stated one of the reasons why DWS wanted to address this is because of the cost. He stated in doing so, they have done some research to determine individuals who purchase government time if they are being assessed a fair amount of value for what they are purchasing or is the system subsidizing their request. They are by no means completely sure that anybody that buys government time is paying a fair value for it. So, there is ongoing investigation or research to be determined. He stated he does not have a problem with anybody buying governmental time, but didn't think the system should subsidize it. He stated that was a concern when somebody bought 20 years and their actuarial valuation went from 117% down to 77%. That was probably not the only reason. It is a small group. Just giving us information so that down the road this Board can make a recommendation to the Board of commissioners who does make that decision, and you cannot make it without good information, so I think this is a start to giving us information as to what is going on so that you can do some research. When all the information becomes available, it will be shared and then this board can make a recommendation and the Board of Commissioners will at that time make a determination.

Trustee Coonan clarified the Board was receiving the information. He stated

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - REGULAR MEETING
PAGE 9

since it went to Ways & Means last week he had received additional information and by no means is he ready to make a decision because they are still getting information. He believes what they did was good by making the group aware of the situation. He believes they have a ways to go before all the information becomes available.

RES. No 2015-7:

Moved, supported and carried to receive the amendment to the Bay County Employees Retirement System Ordinance by the Department of Water & Sewer.

MOTION 17: Moved, supported and carried to receive Commission Recapture letters to Eagle, Columbia, Geneva, Integrity, Atalanta Sosnoff, Schrodgers, Hotchkis & Wiley, and MFS Investment and MFS Heritage Trust.

RES. No 2015 - 8

Moved, supported and carried to adopt resolution 2015-8 to approve the non-duty disability retirement for Tim Henika.

Trustee asked if this is something they approve rather than receive. He stated they are basically making a big decision on impacting somebody's livelihood on a two sentence letter. He thought maybe they should look at it, revamp it, maybe find a way to get some other information to the Board. He didn't believe they were doing their duty by making a decision on one person's signature and two sentences. He requested it to be looked into in the future.

Ms. Walraven stated there has been a lot of discussion about it since the last meeting. It definitely is something they are looking at and maybe a policy regarding this to put the Board's mind a little bit at ease. She stated this was one of the reasons the Board out sources this responsibility to a Medical Director. The Board is allowed to ask for more information and can be provided with more information. There are pros and cons to doing such. I think a policy probably is in order. She stated this topic was being addressed at the MAPERS one-day conference.

RES. NO 2015-9

Moved, supported and carried to approve CPM course for Retirement Administrator, Rebecca Marsters, for continuing education.

Trustee Pett asked Ms. Marsters if this was something she was requested to do or something she was told to do. Ms. Marsters stated it was something that was asked if she wanted to do.

ANNOUNCEMENTS:

- A. Next regularly scheduled meeting will be Tuesday, March 10, 2015 at 1:30 P.M. in Commissioner's Chambers, 515 Center Avenue - 4th Floor, Bay City, MI 48708.
- B. The spring one-day MAPERS seminar is Friday March 13, 2015, at the Somerset Inn in Troy, Michigan at 8:00 a.m. If anybody would like to attend, contact Rebecca Marsters.

MINUTES BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM BOARD OF TRUSTEES (BCERS)
FEBRUARY 10, 2015 - **REGULAR MEETING**
PAGE 10

UNFINISHED BUSINESS:

Correspondence from Gabriel, Roder & Smith. This is an email addressing the question posed by Trustee Starkweather regarding the actuarial tables. Mr. Starkweather stated his question will be answered. They have acknowledged that there is a problem and they will look into it when the new policy comes out. Gebriel, Roder & Smith will be at the March Board meeting and will address any other questions.

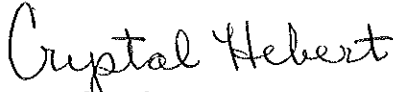
NEW BUSINESS:

MISCELLANEOUS BUSINESS None

ADJOURNMENT:

MOTION 18: Moved, supported and carried to adjourn the meeting at 2:37 p.m.

Respectfully submitted,



Crystal Hebert
Finance Officer/Secretary

Transcribed by: Tracy Cederquist

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
FEBRUARY 10, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 1:33 P.M.

Trustee Morse left the meeting at 1:45 p.m.

MOTIONS

TRUSTEE	14	15	16	17	18					
BRZEZINSKI	E	E	E	E	E					
COONAN	Y	Y	Y	Y	Y					
GRAY	E	E	E	E	E					
GROMASKI	E	E	E	E	E					
HEREK	Y	M	S	S	M					
MORSE	S	A	A	A	A					
PETT	Y	S	M	M	S					
STARKWEATHER	M	Y	Y	Y	Y					
GOETZ	Y	Y	Y	Y	Y					

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

MEETING OF THE BCERS BOARD OF TRUSTEES COMMITTEE
FEBRUARY 10, 2015

IN THE BOARD OF COMMISSIONER'S CHAMBERS, LOCATED AT 515 CENTER AVENUE, 4TH FLOOR,
BAY CITY, MI 48708

MEETING CALLED TO ORDER BY: CHAIRPERSON STEVE GRAY AT 1:33 P.M.

Trustee Morse left the meeting at 1:45 p.m.

RESOLUTIONS

TRUSTEE	5	6	7	8	9					
BRZEZINSKI	E	E	E	E	E					
COONAN	Y	Y	Y	Y	Y					
GRAY	E	E	E	E	E					
GROMASKI	E	E	E	E	E					
HEREK	Y	S	M	M	S					
MORSE	A	A	A	A	A					
PETT	M	Y	S	S	M					
STARKWEATHER	Y	M	Y	Y	Y					
GOETZ	S	Y	Y	Y	Y					

CODE: M - MOVED; S - SUPPORTED; Y-YEA; N-NAY; A-ABSENT; E-EXCUSED

RET.	BAIRD	BARINGS	CORNERSTONE	DENVER	EAGLE (RJNU)	GENEVA	HOTCHKIS & WILEY	LOOMIS-SAYLES	MACKEY-SHIELDS	MFS	MFS INTER. NATIONAL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	WENTWORTH	CASH	TOTAL
2015	0041	1530	404	20424	2000	4209	5242	2012	3302	4024	243002	0410	5052	4407		0041		
JAN	25,954,494.81	18,548.92	14,930,255.11	0.11	9,746,990.22	22,735,052.32	10,466,425.37	36,173,554.50	18,088,857.01	46,475,341.50	15,278,006.70	21,347,500.05	17,389,557.17	44,653,307.82	14,648,350.99		4,580,089.44	304,086,341.84
FEB	25,698,772.32	18,293.74	14,500,330.44	0.11	10,308,479.56	24,218,314.77	11,215,546.48	35,599,858.38	24,429,781.07	33,165,671.83	24,740,538.82	22,445,787.78	28,406,553.80	31,837,449.58	30,839,317.89		3,437,191.54	318,959,088.16
MARCH																		0.00
APRIL																		0.00
MAY																		0.00
JUNE																		0.00
JULY																		0.00
AUG																		0.00
SEPT																		0.00
OCT																		0.00
NOV																		0.00
DEC																		0.00

2015	BAIRD	BARINGS	CORNERSTONE	DENVER	EAGLE	GENEVA	HOTCHKIS & WILEY	LOOMIS-SAYLES	MACKEY-SHIELDS	MFS	MFS INTL	INTEGRITY	SCHRODER	COLUMBIA	VANGUARD	WENTWORTH	CASH	TOTAL
1ST QTR																	0.00	0.00
2ND QTR																	0.00	0.00
3RD QTR																	0.00	0.00
4TH QTR																	0.00	0.00
2014 YTD	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

[INVESTMENT MANAGER FEES ARE PAID FROM: 73127400 80100 (Professional Services)]

BAIRD	GOVERNMENTAL FIXED INCOME MANAGER
BARING	LARGE CAP GROWTH INTERNATIONAL EQUITY MANAGER
COLUMBIA	LARGE CAP DEEP VALUE MANAGER
CORNERSTONE REAL ESTATE	REAL ESTATE INVESTMENT TRUST MANAGER
EAGLE	SMALL-CAP GROWTH MANAGER
GENEVA	MID-CAP GROWTH MANAGER
HOTCHKIS & WILEY	SMALL CAP VALUE MANAGER
INTEGRITY	MID-CAP VALUE MANAGER
LOOMIS SAYLES	CORPORATE BOND MANAGER
MACKEY SHIELDS	CONVERTIBLE BOND MANAGER
MFS	LARGE CAP GROWTH EQUITY MANAGER
SCHRODER	INTERNATIONAL SMALL/MID CAP EQUITY MANAGER
WENTWORTH	LARGE CAP CORE MANAGER

13

INVESTMENT MANAGER FEE SCHEDULES

BAIRD	.30% - FIRST \$25 MILLION .25% - NEXT \$25 MILLION .20% - NEXT \$0 MILLION .15% - THEREAFTER
BARING	.95% -ON ASSETS UNDER MANAGEMENT
COLUMBIA	.50% - FIRST \$40 MILLION .40% - NEXT \$60 MILLION
CORNERSTONE	.60% - OF THE FAIR MARKET VALUE OF ASSETS
EAGLE	.85% - ON ASSETS UNDER MANAGEMENT
GENEVA	.75% - ON ASSETS UNDER MANAGEMENT
HOTCHKIS & WILEY	1.00% -ON ASSETS UNDER MANAGEMENT
INTEGRITY	.85% - FIRST \$15 MILLION .75% - NEXT \$25 MILLION
LOOMIS SAYLES	.35% - FIRST \$20 MILLION .25% - NEXT \$80 MILLION .20% - OVER \$100 MILLION
MACKAY SHIELDS	.50% - UP TO \$100 MILLION .40% - ABOVE \$100 MILLION
MFS	.60% - ON FIRST \$50 MILLION
SCHRODER	.75% - UP TO \$10 MILLION .50% - UP TO \$100 MILLION
WENTWORTH	.80%-FIRST \$2 MILLION .60%-NEXT \$8 MILLION .50%-NEXT \$10 MILLION .40%-NEXT \$10 MILLION .30%-OVER \$30 MILLION

Portfolio Statement

1 JAN 15 - 31 JAN 15

Account number 8765
Account Name FAMILY CODE FAM8765

Change in Book and Market Value

Page 1 of 135

	Cost	Market value	For more information
Opening balance	247,583,015.68	308,384,243.68	
Miscellaneous Cash Receipts	380.62	380.62	See funding & disbursement summary
Participant Contributions	117,747.83	117,747.83	See funding & disbursement summary
Sponsor Contributions	261,377.85	261,377.85	See funding & disbursement summary
Interportfolio Transfers In	217.18	217.18	See funding & disbursement summary
Benefit Payment Redeposits	249.36	249.36	See funding & disbursement summary
Total receipts	379,972.84	379,972.84	See funding & disbursement summary
Interportfolio Transfers Out	- 217.18	- 217.18	See funding & disbursement summary
Benefit Payments / Beneficiary Payments	- 1,317,687.59	- 1,317,687.59	See funding & disbursement summary
Total disbursements	- 1,317,904.77	- 1,317,904.77	See funding & disbursement summary
Income received	425,596.93	425,596.93	See income & expense summary, cash activity detail
Expenses paid	- 12,946.95	- 12,946.95	See income & expense summary
Unrealized gain/loss change	0.00	- 4,284,780.59	See asset summary
Realized gain/loss	717,253.99	717,253.99	See realized gain/loss summary
Accrued income change	- 22,775.03	- 22,775.03	See income & expense summary
Return of capital	- 52,656.21	- 52,656.21	See capital change detail
Closing balance	247,699,556.48	304,216,003.89	

Northern Trust

Generated by Northern Trust from periodic data on 13 Feb 15

5

BAY COUNTY RETIREMENT BOARD
2/10/2015
RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD

RESOLVED By the Bay County Retirement Board that the following reports are received:

1. PORTFOLIO VALUE - 1/1/15 - 2/28/15
2. CHANGE IN BOOK AND MARKET VALUE -1/31/15
3. MONEY MANAGERS ON WATCH - NONE
4. MONEY MANAGER REPORTS
 - a. BAIRD - ENDING QUARTERLY 12/31/2014
 - b. CORNERSTONE - ENDING 1/31/15
 - c. EAGLE ASSET MGMT - ENDING 1/31/15
 - d. GENEVA - ENDING 12/31/14
 - e. HOTCHKIS & WILEY - ENDING 1/31/15
 - f. LOOMIS SAYLES - ENDING 1/31/15
 - g. MFS INVESTMENT - ENDING 1/31/15
 - h. MFS HERITAGE TRUST - ENDING 1/31/15
 - i. MACKAY SHIELDS - ENDING 1/31/15
5. RECAPTURE SERVICES
 - a. ABEL/NOSER - SUMMARY ENDING 1/31/15
 - b. CAPIS - SUMMARY ENDING 1/31/15
6. NORTHERN TRUST SUMMARY EARNINGS -1/31/15
7. REFUNDS/RETIREMENTS -ENDING 2/28/15
8. BCERS YTD BUDGET REPORT - ENDING 2/28/15
9. APPROVED EXPENSES - 2/28/15

STEVE GRAY, CHAIR
AND BOARD

MONTHLY REPORTS MARCH

MOVED BY TRUSTEE _____
 SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray				Matthew Pett				Thomas Herek			
Richard Brzezinski				Jon Morse				Richard Gromaski			
Kim Coonan				Thomas Starkweather				Kristal Goetz			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____
 Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

Charles B. Groeschell

Managing Director
Senior Portfolio Manager
Baird Advisors

January 29, 2015

Ms. Rebecca Marsters
Retirement Administrator
Bay County Employees' Retirement System
515 Center Avenue, Suite 706
Bay City, MI 48708-5128

Dear Rebecca:

Enclosed please find a summary review as of December 31, 2014 for the Bay County Employees' Retirement System Portfolio managed by Baird Advisors.

Market Review

The bond market capped off an impressive year delivering solid returns in the 4th quarter as intermediate and long-term interest rates declined and the yield curve continued to flatten. Weak global growth outside of the U.S. and falling inflation expectations helped by the significant drop in oil prices were the key drivers pushing yields lower despite the Fed ending their QE bond buying program in late October. Market uncertainty and volatility increased during the quarter on concerns over falling global growth prospects outside of the U.S., the risk of outright deflation in the Eurozone countries, the timing of the Fed's first rate hike and the potential for geopolitical hot spots like Russia to boil over given the collapse in oil prices. As a result of these factors, spread sector performance was mixed. Credit sectors underperformed similar duration U.S. Treasuries as credit spreads widened. Asset-backed and mortgage-backed sectors generally performed in line or slightly better than similar duration U.S. Treasuries for the quarter as spreads were essentially unchanged.

Please find attached a copy of our December 2014 Bond Market Comments which provides a more detailed review of the market.

Performance Update

During the 4th quarter, the Bay County Employees' Retirement System Portfolio generated positive absolute and relative returns versus its custom benchmark. The Portfolio benefitted from select exposure to well-structured agency commercial mortgage-backed securities (CMBS) and agency residential mortgage-backed securities (RMBS) which were two of the few sectors in the

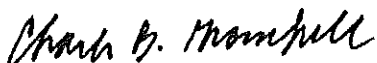
Robert W. Baird & Co.
777 E Wisconsin Ave
Milwaukee WI 53202
Direct 414 298-1063
Toll Free 888 792-9813
Fax 414 298-1078
Email cgroeschell@rwbaird.com
rwbaird.com

market to outperform Treasuries in the quarter and the year resulting from tight supply combined with growing demand for these high quality securities as well as the Portfolio's yield curve positioning that benefitted from continued flattening in the quarter and the year.

We expect continued positive contributions from both the agency CMBS and agency RMBS components of the Portfolio due to ongoing strong technical and fundamental developments. The Portfolio remains duration neutral and maintains a yield advantage over the benchmark. We are confident in its overall structure and ability to continue to outperform over complete market cycles.

We value our relationship and thank you for your continued confidence in our fixed income capabilities. Please let us know if you have any questions as you review this information.

Sincerely,



Charles B. Groeschell

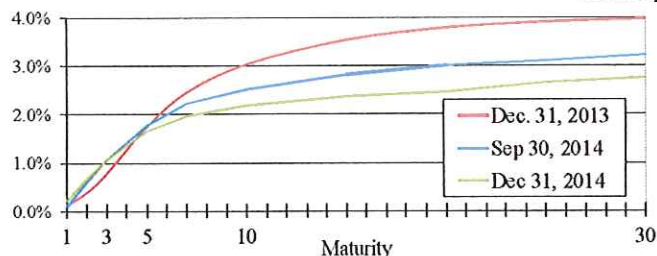
cc: Crystal Herbert - Bay County Employees' Retirement System
Tiffany Jerry - Bay County Employees' Retirement System
Tracy Cederquist - Bay County Employees' Retirement System
Howard Pohl - The Bogdahn Group
Peter Brown - The Bogdahn Group

Baird Advisors
Fixed Income Market Comments
December 2014

Curve Flattens: Fed Ends QE as U.S. Growth Accelerates, Global Growth Falters

The yield curve flattened further during the 4th quarter as weak global growth outside the U.S. and declining energy prices pushed the 30-year bond yield down 46 bps to 2.75% while the yield on the 2-year Treasury rose 8 bps to 0.66%, reflecting the consensus expectation of a Fed Funds rate hike in 2015. The Fed concluded QE purchases in October, but continues to reinvest interest and principal payments on its \$4.5 trillion portfolio of Treasuries, Agency Debentures, and Mortgage Backed Securities. U.S. economic data demonstrated substantial progress: 3Q GDP accelerated to a +5.0% annualized pace and unemployment declined to 5.8% through November (down from 7% one year prior). Nevertheless, the yield on the 30-year Treasury fell 122 bps over the year as inflation remained tepid (U.S. Nov. CPI +1.3% year over year) and global growth faltered.

Treasury Yields



Maturity	Dec 31, 2013	Sep 30, 2014	Dec 31, 2014	3Mo Change	12Mo Change
1	0.11%	0.10%	0.21%	0.11%	0.10%
2	0.38%	0.58%	0.66%	0.08%	0.28%
3	0.77%	1.05%	1.07%	0.02%	0.30%
5	1.74%	1.78%	1.65%	-0.13%	-0.09%
7	2.45%	2.22%	1.97%	-0.25%	-0.48%
10	3.03%	2.51%	2.17%	-0.34%	-0.86%
30	3.97%	3.21%	2.75%	-0.46%	-1.22%

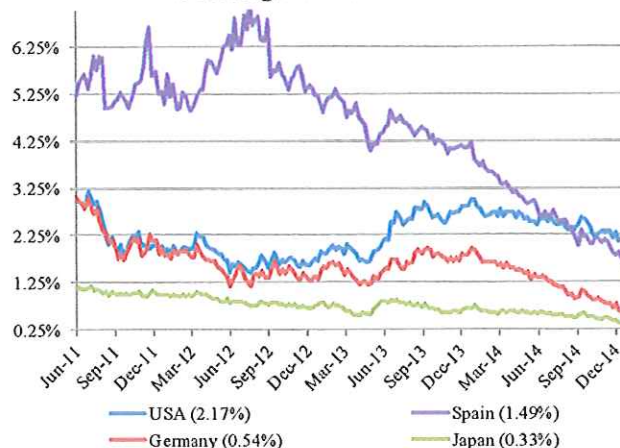
Oil Drops, Global Bond Yields Decline

Economic weakness across China, Europe, and Japan has contributed to a roughly 50% decline in oil prices since mid-year (see chart below left). Wrestling with weak growth and deflationary worries, foreign central banks have remained very accommodative, contributing to a precipitous decline in foreign sovereign bond yields. The yield on the 10-year German sovereign dropped from 1.93% at the start of the year to 0.54% (see graph below right). Remarkably low yields abroad have put downward pressure on U.S. Treasury yields, which look attractive in a global context.

Crude Oil
Spot Price - WTI Cushing



Sovereign 10 Year Yields



Corporate Yield Spreads Widen on Heavy Supply, Securitized Sectors Stable

Corporate spreads were nearly unchanged through September but widened 19 bps in the 4th quarter (17 bps wider on the year, see chart, next page left), pressured by heavy supply and weak global growth outside of the U.S. Industrials widened more than other corporate sectors this quarter (+25 bps) as energy-related sectors were adversely impacted by falling oil prices. 2014 set an all-time record for gross issuance of investment grade corporate bonds, totaling over \$1.1 trillion and pushing spreads wider. Conversely, spreads on securitized sectors (e.g. MBS) were stable for the quarter. MBS spreads tightened 7 bps in 2014, in spite of the Fed tapering QE purchases of MBS from \$35 billion per month in January to zero by November. Declining supply was the predominant factor, as gross MBS issuance fell roughly 40% from 2013 to 2014 (see chart, next page right). Please note that the 1-year change in CMBS and Utility spreads are impacted by mid-year changes to Barclay's index inclusion rules.

Bay County Employees' Retirement System

Fixed Income Portfolio

Net Investment Performance

03/31/06 through 12/31/14

Year		Fixed Income Portfolio	Customized Benchmark
2006	Year-to-Date	4.80%	4.85%
2007		6.89%	7.78%
2008		8.81%	10.36%
2009		3.41%	1.79%
2010		5.31%	5.46%
2011		7.59%	7.62%
2012		2.74%	2.32%
2013		-2.88%	-2.00%
2014		5.47%	5.50%
Total Return 03/31/06-12/31/14		50.29%	52.39%
Annualized Return		4.76%	4.93%

The performance is presented on a cumulative basis. All returns are calculated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. The 50% Barclays Government & 50% Barclays MBS Index is an unmanaged portfolio of specific securities. The portfolio does not invest in all the securities traded in the index. Direct investment in the index is not available. Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports.

Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on security valuations provided by client's custodian for purposes of performance reports.

The Baird Advisors Brochure, which serves as a substitute for Form ADV Part II, is available upon request.

Bay County Employees' Retirement System

Fixed Income Portfolio

Gross Investment Performance

03/31/06 through 12/31/14

Year		Fixed Income Portfolio	Customized Benchmark
2006	Year-to-Date	5.04%	4.85%
2007		7.20%	7.78%
2008		9.13%	10.36%
2009		3.72%	1.79%
2010		5.63%	5.46%
2011		7.91%	7.62%
2012		3.05%	2.32%
2013		-2.59%	-2.00%
2014		5.79%	5.50%
Total Return 03/31/06-12/31/14		54.27%	52.39%
Annualized Return		5.08%	4.93%

The performance is presented on a cumulative basis and does not reflect the deduction of investment advisory fees. Return would be reduced by advisory fee and other fees such as custodial expenses. The maximum fee found in Baird Advisors form ADV is 30 basis points. All returns are calculated on a time weighted, total return basis. The results shown should not be considered representative of future investment returns. The 50% Barclays Government & 50% Barclays MBS Index is an unmanaged portfolio of specific securities. The portfolio does not invest in all the securities traded in the index. Direct investment in the index is not available. Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on securities valuations provided by client's custodian for purposes of performance reports.

Client should review all account statements provided by its custodian and compare those account statements to any account statement provided by Baird Advisors. Baird Advisors relies on security valuations provided by client's custodian for purposes of performance reports.

The Baird Advisors Brochure, which serves as a substitute for Form ADV Part II, is available upon request.

Bay County Employees' Retirement System

Fixed Income Portfolio

December 31, 2014

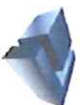
	Fixed Income Portfolio	Customized Benchmark
Average Quality	AA	AAA
Average Coupon	3.51 %	2.96 %
Current Yield	3.16 %	2.81 %
Yield to Maturity	1.94 %	1.85 %
Duration	4.88 years	4.88 years
Average Maturity	5.73 years	6.55 years
Quality Profile		
US Treasury	34.8 %	45.7 %
Agency	64.5 %	54.3 %
Aaa	0.7 %	0.0 %
Aa	0.0 %	0.0 %
A	0.0 %	0.0 %
Baa	0.0 %	0.0 %
	<hr/> 100.0 %	<hr/> 100.0 %
Sector Profile		
US Treasury	34.8 %	45.7 %
Agency	1.5 %	4.3 %
Mortgages/CMOs	43.8 %	50.0 %
Asset-Backed	0.0 %	0.0 %
CMBS	19.2 %	0.0 %
Other Govt	0.0 %	0.0 %
Industrial	0.0 %	0.0 %
Utility	0.0 %	0.0 %
Financial Institutions	0.0 %	0.0 %
Cash	0.7 %	0.0 %
	<hr/> 100.0 %	<hr/> 100.0 %
Number of Issues	86	1,289
Market Value	\$25,469,084	

Customized Benchmark is comprised of 50% Barclays Government & 50% Barclays MBS



PERFORMANCE HISTORY
Bay County Employees' Retirement System

Time Period	1/31/2015	Percent Total Return Per Period		
		Gross	Portfolio Net	FTSE/NAREIT Equity REIT Index
1 Month		6.42%	6.37%	6.71%
YTD		6.42%	6.37%	6.71%
1 Year		37.19%	36.39%	33.34%
3 Year		17.67%	16.98%	16.41%
5 Year		21.15%	20.44%	19.69%
Inception (October 21, 2008)		19.31%	18.61%	17.10%



CORNERSTONE

January 31, 2015

Bay County Employees' Retirement System

Symbol	Description	Property Type	Shares	Cost	Cost Per Share	Closing Price 1/31/2015	Percentage of Portfolio	Market Value 1/31/2015	Dividend Yield
--------	-------------	---------------	--------	------	----------------	-------------------------	-------------------------	------------------------	----------------

Equity Holdings

AVB	AvalonBay Communities Inc	Apartment	6,016	\$908,665	\$151.04	\$172.99	6.97%	\$1,040,708	2.7%
EOB	Equity Residential	Apartment	12,640	\$816,151	\$64.57	\$77.61	6.57%	\$980,990	2.6%
ESS	Essex Property Trust Inc	Apartment	3,200	\$563,783	\$176.18	\$226.05	4.84%	\$723,360	2.3%
GPT	Gramercy Property Trust Inc	Diversified	26,010	\$180,321	\$6.93	\$6.92	1.21%	\$179,989	2.2%
VNO	Vornado Realty Trust	Diversified	4,554	\$312,672	\$68.66	\$110.44	3.37%	\$502,944	2.6%
ARCP	American Realty Capital Proper	Free Standing	9,360	\$86,154	\$9.20	\$9.27	0.58%	\$86,720	9.9%
DOC	Physicians Realty Trust	Healthcare	11,210	\$153,619	\$13.70	\$17.64	1.32%	\$197,744	5.1%
HCN	Health Care REIT Inc	Healthcare	7,890	\$480,615	\$60.91	\$81.95	4.33%	\$646,586	3.9%
NHI	National Health Investors Inc	Healthcare	2,157	\$128,258	\$59.46	\$74.76	1.08%	\$161,257	4.1%
SBRA	Sabra Health Care REIT Inc	Healthcare	5,240	\$145,734	\$27.81	\$32.70	1.15%	\$171,348	4.6%
VTR	Ventas Inc	Healthcare	5,997	\$386,497	\$64.45	\$79.81	3.21%	\$478,621	4.0%
AHT	Ashtford Hospitality Trust Inc	Hotels	7,280	\$91,316	\$12.54	\$10.52	0.51%	\$76,586	4.7%
CLDT	Chatham Lodging Trust	Hotels	5,890	\$170,715	\$28.98	\$31.13	1.23%	\$183,356	3.1%
CHSP	Chesapeake Lodging Trust	Hotels	9,130	\$197,047	\$21.58	\$36.72	2.25%	\$335,254	3.3%
DRH	DiamondRock Hospitality Co	Hotels	15,540	\$189,968	\$12.22	\$14.53	1.51%	\$225,796	2.8%
FCH	FelCor Lodging Trust Inc	Hotels	22,340	\$161,554	\$7.23	\$10.01	1.50%	\$223,623	1.0%
HST	Host Hotels & Resorts Inc	Hotels	15,555	\$275,948	\$17.74	\$22.89	2.38%	\$356,054	3.3%
LHO	Lasalle Hotel Properties	Hotels	5,990	\$172,016	\$28.72	\$40.46	1.62%	\$242,355	3.5%
HOT	Starwood Hotels & Resorts Worl	Hotels/Not Indexed	1,310	\$100,868	\$77.00	\$71.97	0.63%	\$94,281	5.6%
FR	First Industrial Realty Trust	Industrial	11,311	\$194,825	\$17.22	\$21.73	1.65%	\$245,788	1.9%
PLD	Prologis Inc	Industrial	15,640	\$681,639	\$43.58	\$45.14	4.73%	\$705,990	2.9%
ARE	Alexandria Real Estate Equitie	Office	2,050	\$140,510	\$68.54	\$97.52	1.34%	\$199,916	3.0%
BXP	Boston Properties Inc	Office	4,570	\$423,609	\$92.69	\$138.80	4.25%	\$634,316	5.1%
BDN	Brandywine Realty Trust	Office	7,910	\$119,044	\$15.05	\$16.61	0.88%	\$131,385	3.6%
CUZ	Cousins Properties Inc	Office	3,210	\$39,905	\$12.43	\$11.04	0.24%	\$35,438	2.7%
HIM	Highwoods Properties Inc	Office	9,890	\$360,881	\$36.49	\$47.00	3.11%	\$464,830	3.6%
KRC	Kilroy Realty Corp	Office	5,872	\$321,671	\$54.78	\$74.15	2.92%	\$435,409	1.9%
PGRE	Paramount Group Inc	Office/Not Indexed	8,830	\$158,933	\$18.00	\$19.35	1.14%	\$170,861	0.0%
GGP	General Growth Properties Inc	Regional Mall	12,831	\$269,708	\$21.02	\$30.18	2.59%	\$387,240	2.1%
SPG	Simon Property Group Inc	Regional Mall	8,558	\$839,819	\$98.13	\$198.66	11.39%	\$1,700,132	2.6%
CUBE	CubeSmart	Self-Storage	16,600	\$295,720	\$17.81	\$24.64	2.74%	\$409,024	2.2%
EXR	Extra Space Storage Inc	Self-Storage	8,050	\$381,269	\$47.36	\$66.00	3.56%	\$531,300	2.7%
AKR	Acadia Realty Trust	Shopping Centers	15,361	\$406,874	\$26.49	\$36.19	3.72%	\$555,915	3.4%
KRG	Kite Realty Group Trust	Shopping Centers	6,562	\$163,833	\$24.97	\$30.56	1.34%	\$200,535	3.4%
REG	Regency Centers Corp	Shopping Centers	6,950	\$363,599	\$52.32	\$68.56	3.19%	\$476,492	2.7%
RPT	Ramco-Gershenson Properties Tr	Shopping Centers	11,660	\$187,246	\$16.06	\$19.57	1.53%	\$228,186	4.0%
SKT	Tanger Factory Outlet Centers	Shopping Centers	8,390	\$301,992	\$35.99	\$39.35	2.21%	\$330,147	2.4%
UE	Urban Edge Properties	Shopping Centers	2,277	\$32,120	\$14.11	\$23.74	0.36%	\$54,056	0.0%

Total Equities 99.2% \$ 14,804,530
 Total Cash & Cash Equivalents 0.8% \$ 125,721
 Total Portfolio Value 100.0% \$ 14,930,251

72

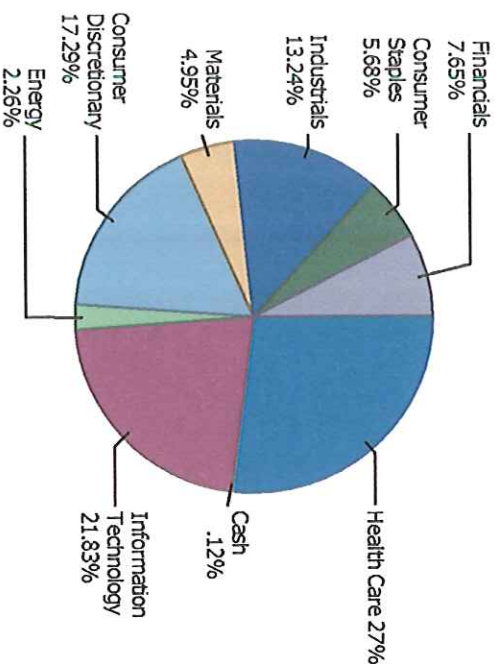
Bay County Employees' Retirement System - 05231100

Portfolio Style: SmallCap Growth Equity

Portfolio Summary

	Month To Date	Year To Date
Beginning Market Value	10,177,409.68	10,177,409.68
Contributions	666.36	666.36
Withdrawals	-24.77	-24.77
Dividend and Interest Income	4,207.23	4,207.23
Change in Market Value	-432,916.29	-432,916.29
Ending Market Value	9,749,342.21	9,749,342.21

Industry Weightings



Currency Valuation: USD

Performance Summary

	MTD	QTD	YTD	1 Year	3 Years	5 Years	Annualized Since Inception
Gross	-4.21	-4.21	-4.21	3.20	14.99		17.43
Net	-4.42	-4.42	-4.42	2.29	13.95		16.46
RU20GRTR ¹	-2.28	-2.28	-2.28	5.01	16.39		19.54

¹ Russell 2000 Growth Index

Performance is based on fiscal year end of portfolio

Top Ten Holdings

Security Description	Total Market Value	% of Market Value
NATUS MEDICAL INC	324,224.80	3.33%
UNIVERSAL ELECTRONICS INC	279,117.46	2.87%
CENTENE CORP	209,587.20	2.15%
IMPERVA INC	203,287.68	2.09%
QUAKER CHEMICAL CORP	201,798.44	2.07%
MARTIN MARIETTA MATERIALS	191,453.98	1.97%
GENESCO INC	186,341.60	1.91%
PANTRY INC	180,588.60	1.85%
CAVUM INC	166,373.49	1.71%
MGIC INVESTMENT CORP	163,106.88	1.67%



Geneva Capital Management Ltd.

INVESTMENT PRESENTATION

Geneva Capital Management Ltd.

Investment Results For:

Bay County Employees' Retirement System (bcers)

December 31, 2014

Quality • Service • Integrity • Performance



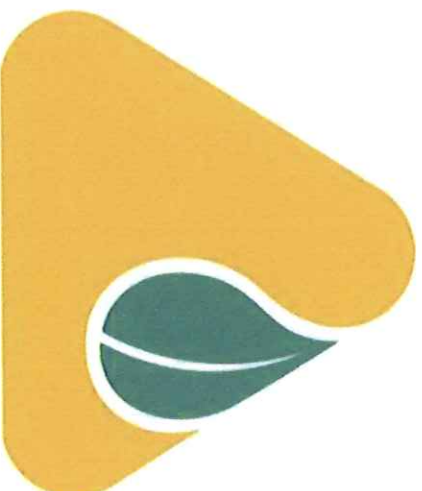
Geneva Capital Management Ltd.

100 E. Wisconsin Avenue • Suite 2550
Milwaukee, WI 53202

Telephone: (414) 224-6002 • Fax: (414) 224-9503

operations@gcmltd.com

www.genevacapitalmanagement.com



One team, one process since 1987.

Table of Contents

Objectives Page.....	1
Portfolio Summary	2
Sector Breakdown.....	3
Ten Largest Holdings.....	4
Performance History Year to Date.....	5
Performance History from Inception	6
Appraisal	7

Disclosure Notice

The enclosed reports include account information such as asset allocation objectives, current asset allocation, performance and holdings. Please notify us immediately if there have been changes to the asset allocation objectives appropriate for your account(s).

We encourage you to compare the account information in these reports with information provided by the independent custodian for your account(s). Please note that the market value on Geneva's reports may differ from the statement provided by your custodian due to cut-off date, unsupervised assets (if applicable), pricing or deposits/withdrawals. For tax purposes, refer to custodian records and consult with your tax advisor for advice.

Geneva's reports should not be relied upon for tax purposes. Cost basis detail is provided for informational purposes only and may differ from custodian records. Please reference your custodial statement for the current yield on money market fund(s). If you are not receiving periodic statements directly from your custodian, please notify Geneva immediately at 414-224-6002 or via email to operations@gcnhld.com.

Sector information is based on data provided by Russell Index Services. Frank Russell Company is the source and owner of the Russell index data contained or reflected in this material and all trademarks and copyrights related thereto. Frank Russell is not responsible for the formatting or configuration of this material or for any inaccuracy in Geneva's presentation thereof.

Past performance is not indicative of future results. One cannot invest directly in an index.

This is a presentation of Geneva and contains confidential information. Unauthorized use, disclosure, copying dissemination or redistribution is strictly prohibited.

Geneva Capital Management Ltd.
PORTFOLIO OBJECTIVES

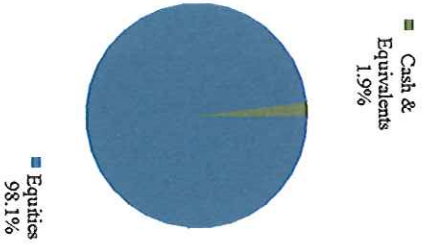
Bay County Employees' Retirement System XXXX9057 (bcers)

December 31, 2014

Asset Allocation Objectives:

Objective	Style	Range			Ladder of Maturities
		Equity	Fixed Income	Cash	
Equity	Midcap	95-100%	0%	0-5%	n/a

Portfolio Allocation:



Geneva Capital Management Ltd.
PORTFOLIO SUMMARY

Bay County Employees' Retirement System XXXX9057 (bcers)
December 31, 2014

Security Type	Total Cost	Market Value	Pct. Assets	Yield	Est. Annual Income
Equities					
COMMON STOCK	17,517,958	22,792,959	98.1	0.5	103,589
	17,517,958	22,792,959	98.1	0.5	103,589
Cash & Equivalents					
CASH AND EQUIVALENTS	431,774	431,774	1.9	0.0	0
	431,774	431,774	1.9	0.0	0
TOTAL PORTFOLIO	17,949,732	23,224,733	100.0	0.4	103,589

Geneva Capital Management Ltd.
SECTOR BREAKDOWN

December 31, 2014

Bay County Employees' Retirement System XXXX9057 (bcers)

TECHNOLOGY	16.19 %
HEALTH CARE	17.60 %
CONSUMER DISCRETIONARY	19.84 %
CONSUMER STAPLES	6.04 %
ENERGY	3.52 %
MATERIALS & PROCESSING	2.34 %
PRODUCER DURABLES	21.38 %
FINANCIAL SERVICES	13.10 %

Geneva Capital Management Ltd.
TEN LARGEST HOLDINGS

Bay County Employees' Retirement System XXXX9057 (bcers)

December 31, 2014

SHARES	SECURITY	MARKET	MARKET	COST	2015	3 - Yr.	PEG
		PRICE	VALUE		P/E @ MARKET		
3,941	O'REILLY AUTOMOTIVE INC NEW COM	192.62	759,115	345,573	23.2	14.0	1.7
7,967	TRACTOR SUPPLY CO COM	78.82	627,959	372,999	26.8	16.0	1.7
10,618	AMPHENOL CORP NEW CL A	53.81	571,355	360,568	21.7	14.0	1.6
7,808	FISERV INC COM	70.97	554,134	323,175	19.1	12.0	1.6
5,521	MIDDLEBY CORP COM	99.10	547,131	423,722	24.2	18.0	1.3
9,376	HAIN CELESTIAL GROUP INC COM	58.29	546,527	406,256	13.8	18.0	0.8
8,140	CERNER CORP COM	64.66	526,332	353,079	32.8	17.0	1.9
18,630	LKQ CORP COM	28.12	523,876	435,048	16.7	15.0	1.1
6,498	CHURCH & DWIGHT INC COM	78.81	512,107	386,868	24.2	12.0	2.0
5,432	INTUIT COM	92.19	500,776	359,180	29.9	12.0	2.5
TOTALS			5,669,312	3,726,467	23.3 x	14.8%	1.6
S & P 500					15.9 x	7.8%	2.0

Geneva Capital Management Ltd.
PERFORMANCE HISTORY

NET OF FEES

Bay County Employees' Retirement System
XXXX9057 (bcers)

From 12-31-2013 to 12-31-2014

Time Period	Percent Return Per Period		
	Total Account	Equities	Russell Midcap Growth Index
12-31-2013 to 03-31-2014	-1.24	-0.94	2.04
03-31-2014 to 06-30-2014	0.07	0.36	4.37
06-30-2014 to 09-30-2014	-0.92	-0.76	-0.73
09-30-2014 to 12-31-2014	7.18	7.65	5.84
Date to Date			
12-31-2013 to 12-31-2014	4.96	6.21	11.90

Geneva Capital Management Ltd.
PERFORMANCE HISTORY
NET OF FEES
Bay County Employees' Retirement System
XXXXX9057 (bcers)

From 01-17-2013 to 12-31-2014

Time Period	Percent Return		
	Total Account	Equities	Russell Midcap Growth Index
01-17-2013 to 12-31-2013	25.11	26.17	29.97
12-31-2013 to 12-31-2014	4.96	6.21	11.90
Date to Date 01-17-2013 to 12-31-2014 Annualized	31.31 14.96	34.01 16.17	45.44 21.14
Inception to Date 01-17-2013 to 12-31-2014 Annualized	31.31 14.96	34.01 16.17	45.44 21.14

Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL

Bay County Employees' Retirement System XXXX9057 (bcers)
December 31, 2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
COMMON STOCK							
ELECTRONIC COMPONENTS							
10,618	AMPHENOL CORP NEW CL A	33.96	360,568	53.81	571,355	2.5	0.9
			360,568		571,355	2.5	0.9
COMPUTER SERVICES SOFTWARE & SYSTEMS							
4,922	ANSYS INC COM	72.76	358,126	82.00	403,604	1.7	0.0
8,621	COGNIZANT TECHNOLOGY SOLUTIONS CL A	39.08	336,944	52.66	453,982	2.0	0.0
4,181	GARTNER INC COM	78.78	329,387	84.21	352,082	1.5	0.0
5,432	INTUIT COM	62.44	339,180	92.19	500,776	2.2	1.1
10,096	MANHATTAN ASSOC INC COM	34.43	347,567	40.72	411,109	1.8	0.0
5,091	RED HAT INC COM	51.33	261,304	69.14	351,992	1.5	0.0
3,584	TYLER TECHNOLOGIES INC COM	83.39	298,874	109.44	392,233	1.7	0.0
1,724	ULTIMATE SOFTWARE GROUP INC COM	144.94	249,876	146.81	253,109	1.1	0.0
			2,521,258		3,118,887	13.4	0.2
HEALTH CARE SERVICES							
6,554	CATAMARAN CORP COM	51.13	335,087	51.75	339,169	1.5	0.0
8,140	CERNER CORP COM	40.92	333,079	64.66	526,332	2.3	0.0
			668,166		865,502	3.7	0.0
MEDICAL EQUIPMENT							
2,526	IDEXX LABS INC COM	129.82	327,920	148.27	374,530	1.6	0.0
4,546	SIRONA DENTAL SYSTEMS INC COM	71.43	324,720	87.37	397,184	1.7	0.0

Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL
Bay County Employees' Retirement System XXXX9057 (bcers)
December 31, 2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
4,465	VARIAN MED SYS INC COM	74.77	333,855	86.51	386,267	1.7	0.0
			986,495		1,157,981	5.0	0.0
6,518	MEDICAL & DENTAL INSTRUMENTS & SUPPLIES ALIGN TECHNOLOGY INC	30.60	199,481	55.91	364,421	1.6	0.0
2,620	BARD C R INC COM	127.05	332,868	166.62	436,544	1.9	0.5
2,026	COOPER COS INC COM NEW	158.56	321,246	162.09	328,394	1.4	0.0
			853,595		1,129,360	4.9	0.2
6,441	MEDICAL SERVICES PAREXEL INTL CORP COM	33.14	213,435	55.56	357,862	1.5	0.0
			213,435		357,862	1.5	0.0
2,995	PHARMACEUTICALS PERRIGO CO PLC SHS	152.20	455,854	167.16	500,644	2.2	0.3
			455,854		500,644	2.2	0.3
18,630	AUTO PARTS LKQ CORP COM	23.35	435,048	28.12	523,876	2.3	0.0
			435,048		523,876	2.3	0.0
2,572	LUXURY ITEMS TIFFANY & CO NEW COM	94.92	244,124	106.86	274,844	1.2	1.4
			244,124		274,844	1.2	1.4
3,217	TEXTILES APPAREL & SHOES CARTER INC COM	80.52	259,043	87.31	280,876	1.2	0.9
6,555	UNDER ARMOUR INC CL A	26.12	171,242	67.90	445,084	1.9	0.0
			430,285		725,961	3.1	0.3

Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL
Bay County Employees' Retirement System XXXX9057 (bcers)
December 31, 2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
RECREATIONAL VEHICLES & BOATS							
3,273	POLARIS INDS INC COM	83.79	274,260	151.24	495,009	2.1	1.3
			274,260		495,009	2.1	1.3
RESTAURANTS							
692	CHIPOTLE MEXICAN GRILL INC COM	321.38	222,395	684.51	473,681	2.0	0.0
1,777	PANERA BREAD CO CL A	161.26	286,555	174.80	310,620	1.3	0.0
			508,949		784,301	3.4	0.0
SPECIALTY RETAIL							
8,869	DSW INC CL A	41.75	370,305	37.30	330,814	1.4	2.0
3,941	O REBELLY AUTOMOTIVE INC NEW COM	87.69	345,575	192.62	759,115	3.3	0.0
7,967	TRACTOR SUPPLY CO COM	46.82	372,999	78.82	627,959	2.7	0.8
			1,088,877		1,717,888	7.4	0.7
FOODS							
9,376	HAIN CELESTIAL GROUP INC COM	43.33	406,256	58.29	546,527	2.4	0.0
3,153	SMUCKER JIM CO COM NEW	93.37	294,401	100.98	318,390	1.4	2.5
			700,657		864,917	3.7	0.9
PERSONAL CARE							
6,498	CHURCH & DWIGHT INC COM	59.54	386,868	78.81	512,107	2.2	1.6
			386,868		512,107	2.2	1.6

Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL
Bay County Employees' Retirement System XXXX9057 (bcers)
December 31, 2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
OIL WELL EQUIPMENT & SERVICES							
4,697	OCEANERING INTL INC COM	70.43	330,830	58.81	276,231	1.2	1.8
			330,830		276,231	1.2	1.8
OIL CRUDE PRODUCERS							
3,111	CONCHO RES INC COM	91.71	285,297	99.75	310,322	1.3	0.0
4,020	RANGE RES CORP COM	67.17	270,030	53.45	214,869	0.9	0.3
			555,327		525,191	2.3	0.1
BUILDING ROOFING/WALLBOARD & PLUMBING							
9,812	BEACON ROOFING SUPPLY INC COM	36.15	354,743	27.80	272,774	1.2	0.0
			354,743		272,774	1.2	0.0
METAL FABRICATING							
5,482	FASTENAL CO COM	46.65	255,720	47.56	260,724	1.1	2.1
			255,720		260,724	1.1	2.1
MACHINERY INDUSTRIAL							
5,521	MIDDLEBY CORP COM	76.75	423,722	99.10	547,131	2.4	0.0
			423,722		547,131	2.4	0.0
SCIENTIFIC INSTRUMENTS: GAUGES & METERS							
12,120	TRUMBLE NAVIGATION LTD COM	30.97	375,369	26.54	321,665	1.4	0.0
			375,369		321,665	1.4	0.0
SCIENTIFIC INSTRUMENTS: CONTROL & FILTER							
5,241	IDEX CORP COM	52.85	276,968	77.84	407,959	1.8	1.4
3,186	PALL CORP COM	69.15	220,313	101.21	322,455	1.4	1.2

Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL
Bay County Employees' Retirement System XXXX9057 (bcers)
December 31, 2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
2,224	ROPER INDS INC NEW COM	125.96	280,144	156.35	347,722	1.5	0.6
			777,426		1,078,137	4.6	1.1
RAILROAD EQUIPMENT							
5,210	WABTEC CORP COM	47.44	247,140	86.89	452,697	1.9	0.3
			247,140		452,697	1.9	0.3
RAILROADS							
4,061	GENESEE & WYO INC CL A	86.29	350,425	89.92	365,165	1.6	0.0
			350,425		365,165	1.6	0.0
TRUCKERS							
3,311	HUNT J B TRANS SVCS INC COM	69.32	229,523	84.25	278,952	1.2	0.9
			229,523		278,952	1.2	0.9
BACK OFFICE SUPPORT HR & CONSULTING							
11,403	COPART INC COM	32.80	374,030	36.49	416,095	1.8	0.0
1,834	COSTAR GROUP INC COM	135.61	248,703	183.63	336,777	1.5	0.0
3,414	IHS INC CL A	102.21	348,938	113.88	388,786	1.7	0.0
4,945	VERISK ANALYTICS INC CL A	62.64	309,753	64.05	316,727	1.4	0.0
			1,281,423		1,458,386	6.3	0.0
ENVIRONMENTAL MAINTENANCE & SECURITY SERVICES							
2,823	STERCYCLE INC COM	95.08	268,412	131.08	370,039	1.6	0.0
			268,412		370,039	1.6	0.0
BANKS: DIVERSIFIED							
12,240	EAST WEST BANCORP INC COM	23.16	283,452	38.71	473,810	2.0	1.9

Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL

Bay County Employees' Retirement System XXXX9057 (bcers)

December 31, 2014

Quantity	Security	Unit Cost	Total Cost	Price	Market Value	Pct. Assets	Yield
3,548	SIGNATURE BK NEW YORK N Y COM	72.85	258,466	125.96	446,906	1.9	0.0
			541,918		920,716	4.0	1.0
FINANCIAL DATA & SYSTEMS							
7,808	FISERV INC COM	41.39	323,175	70.97	554,134	2.4	0.0
			323,175		554,134	2.4	0.0
INSURANCE: MULTILINE							
8,848	BROWN & BROWN INC COM	31.12	275,308	32.91	291,188	1.3	1.3
			275,308		291,188	1.3	1.3
DIVERSIFIED FINANCIAL SERVICES							
4,951	RAYMOND JAMES FINANCIAL INC COM	51.90	256,959	57.29	283,643	1.2	1.3
			256,959		283,643	1.2	1.3
ASSET MANAGEMENT & CUSTODIAN							
2,304	AFFILIATED MANAGERS GRP COM	122.37	281,938	212.24	489,001	2.1	0.0
			281,938		489,001	2.1	0.0
SECURITIES BROKERAGE & SERVICES							
2,037	INTERCONTINENTAL EXCHANGE INC COM	127.72	260,162	219.29	446,694	1.9	1.2
			260,162		446,694	1.9	1.2
COMMON STOCK Total							
			17,517,958		22,792,959	98.1	0.5
CASH AND EQUIVALENTS							
	ACCURED DIVIDENDS		3,196		3,196	0.0	0.0
	CASH ACCOUNT		428,578		428,578	1.8	0.0
			431,774		431,774	1.9	0.0

11

Geneva Capital Management Ltd.
PORTFOLIO APPRAISAL

Bay County Employees' Retirement System XXXX9057 (bcers)
December 31, 2014

<u>Quantity</u>	<u>Security</u>	<u>Unit Cost</u>	<u>Total Cost</u>	<u>Price</u>	<u>Market Value</u>	<u>Pct. Assets</u>	<u>Yield</u>
TOTAL PORTFOLIO			17,949,732		23,224,733	100.0	0.4

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

Small Cap Value

Total Market Value: \$10,466,475 (2.5% Cash)

Month Ended January 31, 2015

Performance Returns - Gross of Fees					Weighted Average Portfolio Characteristics				
	MTD	QTD	YTD	Since Incept.		Portfolio	Rus 2000 V	Rus 2000	
Portfolio - Total Return	-4.83 %	-4.83 %	-4.83 %	10.58 %	Projected P/E Ratio (FY2)	14.2x	15.3x	16.7x	
Russell 2000 Value Index	-4.16	-4.16	-4.16	8.00	Price / Cash Flow Ratio	6.9x	8.4x	10.2x	
Russell 2000 Index	-3.21	-3.21	-3.21	8.43	Price / Book Ratio	1.3x	1.5x	2.1x	
S&P 500 Index	-3.00	-3.00	-3.00	8.04	Dividend Yield	1.1%	2.1%	1.4%	
					Market Capitalization (mm)	\$2,152	\$1,728	\$1,974	
					# of Holdings / 1-Yr Turnover	59 / 41%			
Commencement of portfolio: 12/1/03. Periods over one year are average annualized returns.									
Top and Bottom Five Contributors to Performance					Trading Data		Top Ten Stocks - Total Portfolio		
	Avg Wgt	Ttl Ret	Contr.	Major Buy(Sell)	New buy/final sell	+/-		End Wgt	
Helen of Troy Ltd.	1.68 %	15.62 %	0.24 %	Horsehead Hldg Corp.		1.2%	Masonite Int'l Corp.	5.5 %	
Taro Pharmaceutical Inds.	1.72	12.36	0.20	Enpro Inds. Inc.		0.7%	Horace Mann Educ. Corp.	4.1	
Geo Group Inc.	2.15	7.83	0.16	Rush Enterprises Inc.		0.5%	First Horizon Nat'l Corp.	3.8	
Great Plains Energy Inc.	3.29	4.08	0.13	Popular Inc.		0.5%	Great Plains Energy Inc.	3.4	
Masonite Int'l Corp.	5.46	2.05	0.10				Con-way Inc.	3.4	
Horace Mann Educ. Corp.	4.19 %	-8.17 %	-0.35 %	(Kaiser Aluminum Corp.)		-0.5%	Sonic Automotive Inc.	3.1	
WellCare Health Plans Inc.	3.20	-11.22	-0.37	(Webster Fin'l Corp.)		-0.5% *	WellCare Health Plans Inc.	3.1	
Arris Grp Inc.	2.75	-13.15	-0.37	(Helen of Troy Ltd.)		-0.5%	Matson Inc.	3.1	
Meritor Inc.	3.00	-15.51	-0.46				Hanger Inc.	3.0	
Con-way Inc.	3.63	-16.69	-0.65				Platinum Underwriters Hlds	2.8	
Performance Attribution					Top Ten Industries - Total Portfolio				
	Portfolio	Russell 2000 Value			Allocation				
	Avg Wgt	Equ. Ret.	Avg Wgt	Equ. Ret.	Sector	Stock	Total	End Wgt	
Energy	4.12 %	-3.25 %	3.91 %	-11.40 %	0.00	0.35	0.35	12.0 %	
Financials	29.11	-3.61	41.10	-4.14	0.00	0.15	0.15	10.0	
Telecommunication Services	0.00	0.00	0.76	-7.40	0.02	0.00	0.02	8.0	
Consumer Discretionary	9.70	-4.44	11.77	-4.32	0.00	-0.02	-0.01	6.2	
Consumer Staples	0.00	0.00	2.83	-3.01	-0.03	0.00	-0.03	6.2	
Materials	7.29	-7.15	4.28	-5.28	-0.01	-0.15	-0.16	5.5	
Utilities	4.99	0.05	7.25	1.63	-0.12	-0.08	-0.20	4.7	
Information Technology	8.54	-6.87	9.76	-4.08	0.00	-0.24	-0.24	3.4	
Health Care	11.46	-5.16	5.59	-0.23	0.23	-0.56	-0.33	3.4	
Industrials	24.79	-7.06	12.75	-6.28	-0.25	-0.20	-0.45	3.3	
					-0.15	-0.74	-0.90		

Returns are calculated using daily holding information, gross of fees, within Bloomberg. Returns calculated using this buy-and-hold methodology can differ from actual portfolio returns due to intraday trades, cash flows, accrued/miscellaneous income, corporate actions, and trade price and closing price difference of any given security. Russell Investment Group is the source and owner of the Russell Index data contained herein (and all trademarks related thereto) which may not be redistributed. The information herein is not approved by Russell. H&W and Russell sectors are based on the Global Industry Classification Standard by MSCI and Standard and Poor's.

performance review

january 2015

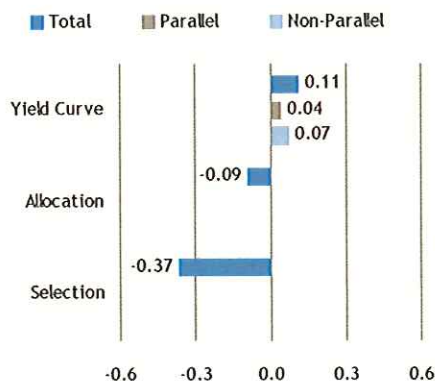
CURRENT MONTH TOTAL RETURNS (%)

Account Return	2.63
Benchmark Return	3.03
Excess Return	-0.40

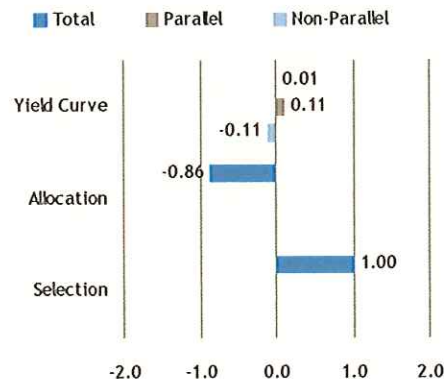
TRAILING YEAR TOTAL RETURNS (%)

Account Return	9.11
Benchmark Return	8.75
Excess Return	0.36

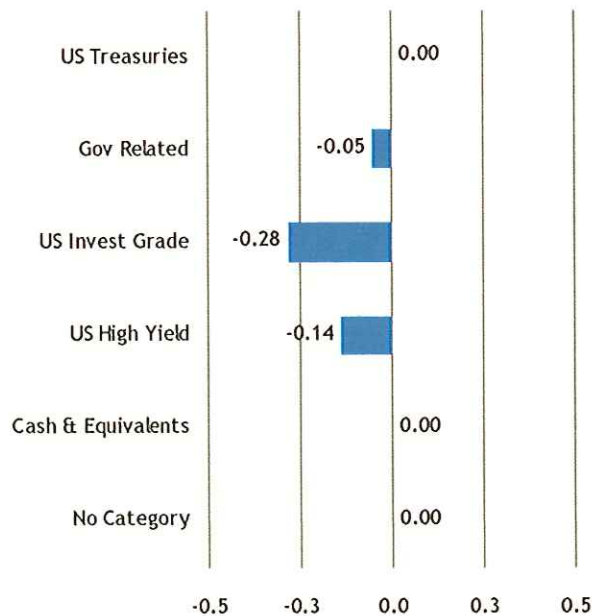
CURRENT MONTH EXCESS RETURN ATTRIBUTION (%)



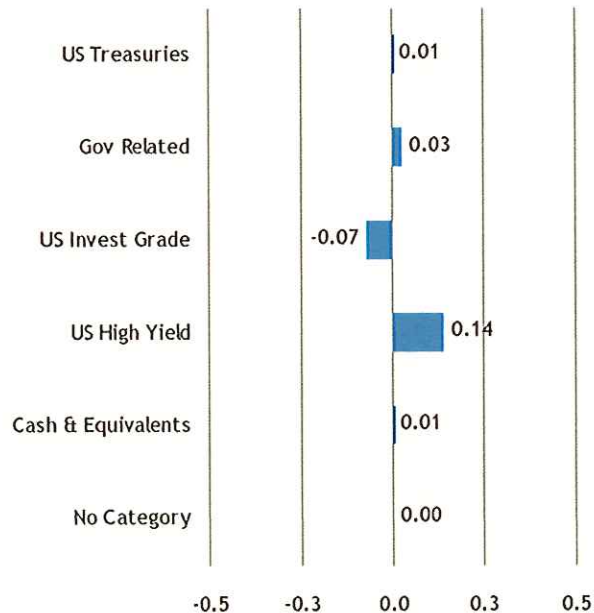
TRAILING YEAR EXCESS RETURN ATTRIBUTION (%)



EXCESS RETURN ATTRIBUTION BY SECTOR (%)



EXCESS RETURN ATTRIBUTION BY SECTOR (%)



The Attribution benchmark is Barclays U.S. Corporate Investment Grade. Figures on bar charts may not add up to total excess return as they exclude impact of trading and pricing differences. Attribution account returns are gross of fees. Excess Return by sector excludes yield curve impact. Data Source: Barclays Capital

performance review

january 2015

PERFORMANCE (%)

	ACCOUNT(GROSS)	BENCHMARK
Jan 15	2.63	3.03
1 Year Trailing	9.11	8.75
3 Year Trailing	6.51	5.38
5 Year Trailing	7.87	6.69
1/31/97 - 1/31/15 Annualized	7.20	6.55

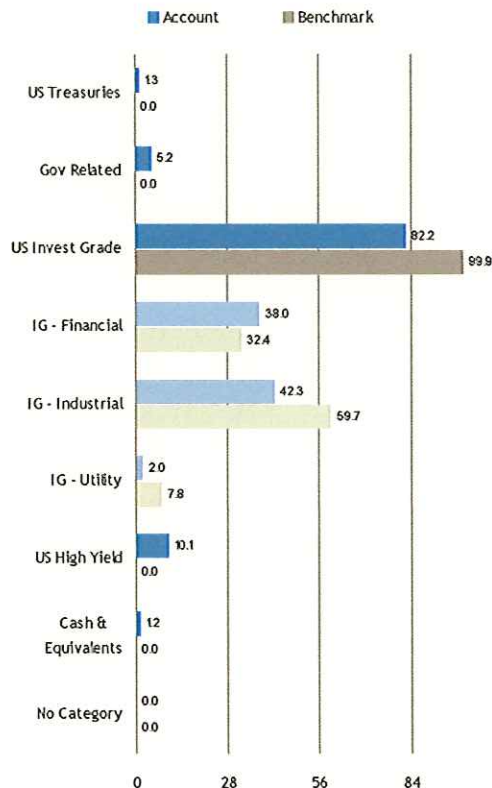
MARKET VALUE

\$36,774,734

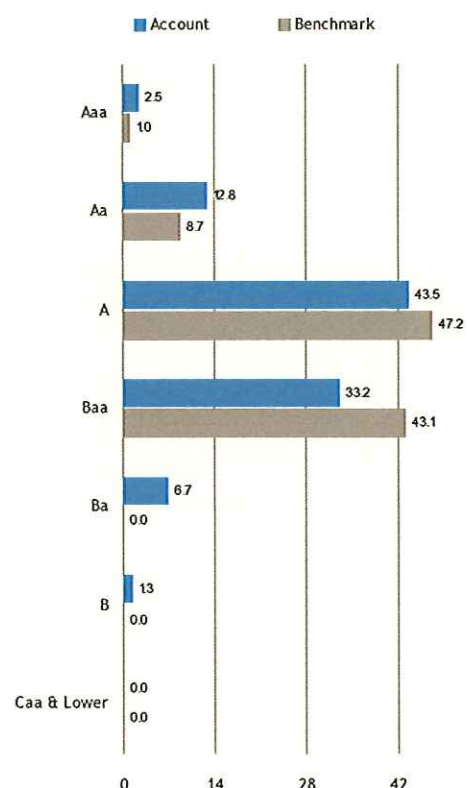
CHARACTERISTICS

Effective Duration	7.55 years	7.38 years
Average Maturity	10.98 years	10.73 years
Yield	3.21%	2.75%
Average Quality	Baa1	Baa1

SECTOR ANALYSIS AT JANUARY 31, 2015 (%)



QUALITY ANALYSIS AT JANUARY 31, 2015 (%)



The current benchmark is Barclays U.S. Corporate Investment Grade. (1) Citigroup Broad Inv Grade (BIC) from 1/31/1997 to 6/30/1999; Barclays Credit from 6/30/1999 to 2/29/2012; and Barclays U.S. Corporate Investment Grade from 2/29/2012 to 1/31/2015. For split rated securities in the quality distribution, the higher of Moody and S&P is used. The account's split rating treatment is based on client guidelines. The benchmark follows the vendor's methodology. Equity securities are deemed to have a duration and maturity value of zero. Yield is Yield to Effective Maturity. Data Source: Barclays Capital, Bloomberg. This report is a service provided to customers of Loomis Sayles for informational purposes and is not a recommendation to purchase or sell securities. Unless otherwise noted, the performance shown is gross of management fees. Past performance is not a guarantee of future results. Loomis Sayles believes the information contained in this report is reliable but we do not guarantee its accuracy.

MFS Institutional Advisors, Inc.

Monthly reporting package for
Bay County Employees' Retirement System
Growth Equity

BCS

Ending January, 2015

Bay County Employees' Retirement System - Growth Equity

BCS

Valuation Summary

31-Jan-15

Portfolio Currency: USD

	Cost	Market Value	Accrued Income	Total Value	Total Value
CASH	1,043,218.30	1,043,218.30	0.00	1,043,218.30	2.25%
COMMON STOCK	33,839,152.97	44,548,818.88	19,743.08	44,568,561.96	95.94%
ADR	875,063.06	842,326.69	0.00	842,326.69	1.81%
	35,757,434.33	46,434,363.87	19,743.08	46,454,106.95	100.00%
Accrued Income		19,743.08			
Total Value		46,454,106.95			

This report contains trade date position values, calculated by MFS. This is not the official book of record for the account. Cash is a net cash balance comprised of cash on deposit, and payables and receivables that have not settled.

47

Bay County Employees' Retirement System

MFS® Heritage Trust Company CIT - MFS International Growth Fund

(Class 1 Shares)



Performance results (%) class 1 shares net of expenses (USD)	Portfolio	Benchmark [^]	Excess returns
January 2015	0.80	0.75	0.05
Since client inception (06-Aug-14)	-3.85	-3.50	-0.35

Source for benchmark performance: SPAR, FadSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class.

Net of expenses does not include management fees.

[^] MSCI All Country World (ex-US) Growth Index (net div)

Performance results reflect any applicable expense subsidies and waivers in effect during the periods shown. Without such subsidies and waivers the fund's performance results would be less favorable. All results are historical and assume the reinvestment of dividends and capital gains.

Asset summary (USD)

Beginning value as of 31-Dec-14	15,278,006
Contributions	0
Withdrawals	0
Change in market value	+121,782
Ending value as of 31-Jan-15	15,399,788

Characteristics	Portfolio	Benchmark [^]
IBES long-term EPS growth ¹	9.4%	10.8%
- weighted median		
Price/earnings (12 months forward)	18.8x	17.7x
- weighted median		
Return on equity (3-year average)	16.7%	15.1%
- weighted median		
Return on invested capital	11.2%	10.8%
- weighted median		
Market capitalization (USD) ²	35.6 bn	30.3 bn
Number of holdings	87	1,068
Trailing 1 year turnover ³	26%	--
Barra predicted tracking error ⁴	2.71%	--

¹ Source: Thomson Reuters

² Weighted median.

³ (Lesser of Purchase or Sales)/Average Month End Market Value

⁴ Source: Barra

No forecasts can be guaranteed.

Top 10 issuers

Top 10 issuers	Sector
NESTLE SA	Consumer Staples
ROCHE HOLDINGS AG	Health Care
DANONE	Consumer Staples
BAYER AG	Health Care
LVMH MOET HENNESSY	Retailing
CANADIAN NATIONAL RAILWAY CO	Transportation
COMPASS GROUP EQUITY	Special Products & Services
TAIWAN SEMICONDUCTOR	Technology
MANUFACTURING COMPANY LIMITED	
PERNOD-RICARD	Consumer Staples
ACCENTURE PLC	Special Products & Services

Sectors (%)	Portfolio	Benchmark [^]
Consumer Staples	20.6	13.4
Financial Services	12.9	16.2
Health Care	10.6	13.8
Technology	10.1	11.2
Special Products & Services	9.8	4.4
Industrial Goods & Services	7.9	6.7
Basic Materials	7.7	6.5
Retailing	6.6	6.7
Leisure	4.0	3.9
Transportation	3.7	3.9
Energy	2.7	2.6
Autos & Housing	1.6	5.8
Utilities & Communications	0.8	4.9

Regions (%)	Portfolio	Benchmark [^]
Europe ex-U.K.	44.0	34.4
United Kingdom	19.9	12.2
Emerging Markets	13.3	22.3
Japan	9.6	15.1
North America	7.3	7.0
Asia/Pacific ex-Japan	3.5	8.5
Developed - Middle East/Africa	1.4	0.4

1.0% cash and other assets less liabilities.

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Heritage Trust Company

[^] MSCI All Country World (ex-US) Growth Index

FOR MORE INFORMATION CONTACT

Kimberly Hyland, Director, Relationship Management

Phone: +1 617 954 5575 | Cell: +1 781 929 6122

Email: khyland@mfs.com

PSR-HTG-31-Jan-15

Thomas Shanley, Client Service Manager

Phone: +1 617 954 7492 | Cell: +1 857 208 5297

Email: tshanley@mfs.com

48



MFS HERITAGE TRUST COMPANYSM
111 Huntington Avenue, Boston, Massachusetts 02159

Account Statement
01/01/2015 - 01/31/2015
Page 1 of 2

313 00Z 157/212 -----7- 1



Registration:

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
(BCERS)

Account Number:

193

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
(BCERS)
ATTN: CRYSTAL HEBERT
515 CENTER AVENUE, STE 701
BAY CITY, MI 48708

Account Summary - Period

Fund Name	01/31/2015 NAV	Beginning Market Value	Period Purchases	Period Redemptions	Ending Units	Ending Market Value
MFS INTERNATIONAL GROWTH FUND CL 1	\$122.66	\$15,278,005.85	\$0.00	(\$0.00)	125,548.573	\$15,399,787.96
Account Total		\$15,278,005.85				\$15,399,787.96

Account Summary - YTD

Fund Name	YTD Purchases	YTD Redemptions	Account Inception
MFS INTERNATIONAL GROWTH FUND CL 1	\$0.00	(\$0.00)	08/06/14

193

BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM

49



MFS HERITAGE TRUST COMPANY^{MA}
111 Huntington Avenue, Boston, Massachusetts 02199

MFS HERITAGE TRUST COMPANY

Account Statement
01/01/2015 - 01/31/2015
Page 2 of 2

Transaction History

Trade Date	Transaction Type	Gross Amount	Net Amount	NAV	Transaction Units	Total Units
MFS INTERNATIONAL GROWTH FUND CL 1						
— There are no transactions for this section —						

Message

Please contact your MFS relationship team for any questions regarding your account statement or transaction confirm.

Bay County Employees' Retirement System
MFS® Heritage Trust Company CIT - MFS International Growth Fund
Class 01 Shares
Report as of 31 January 2015

Performance results (%) class 01 shares net of expenses (USD)

Period	Portfolio net	Benchmark [^]	Excess [^]
January	0.80	0.75	0.05
Since client inception (06-Aug-14)	-3.85	-3.50	-0.35

Source for benchmark performance: SPAR, FactSet Research Systems Inc.

All periods greater than one year are annualized.

Past performance is no guarantee of future results.

For periods prior to the inception date of a unit class, performance information shown for such class is based on the performance of an older class of units that dates back to the Fund's inception, as adjusted to reflect differences in fees paid and expenses incurred by the newer class. Net of expenses does not include management fees.

[^] MSCI All Country World (ex-US) Growth Index (net div)

^{^^} Excess return net vs benchmark (%)

FOR EXISTING INSTITUTIONAL CLIENT USE ONLY.

MFS Heritage Trust Company

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAYSHIELDS

Portfolio Composition and Performance – Account 1256

January 31, 2015

Composition	Market Value	Percent of Total
Fixed Income	14,554,595	76.07
Equity	3,458,572	18.08
Cash & Equivalents	1,119,951	5.85
Total Portfolio	\$19,133,117	100.00%

Performance	Latest Month	Latest 3 Months	Year To Date	Latest 12 Months	3 Years Annualized	5 Years Annualized	Since 10/1/2003	Annualized Since 10/1/2003
Total Fund (Gross of fees)	-0.73%	0.61%	-0.73%	10.47%	10.33%	9.14%	110.08%	6.76%
ML Convt Inv Grade BDS (Inc Mandatory)	-0.75%	0.43%	-0.75%	13.81%	13.94%	10.74%	85.68%	5.61%
ML CVT ALL IG 5% CAP	-0.39%	1.39%	-0.39%	13.38%	12.17%	N/A	N/A	N/A

Expressed in USD
Past performance is not indicative of future results.

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM



Summary Report — Account 1256

January 31, 2015

	Total Cost	Percent at Cost	Yield at Cost	Market Value	Percent of Assets	Yield at Market	Annual Income
Bonds	11,964,019	80.56	1.44	14,516,406	75.87	1.18	171,724
Stocks	2,886,572	19.44	2.90	3,441,034	17.98	2.43	83,712
Cash & Equivalents	0	0.00		1,119,951	5.85	0.09	1,008
Accrued Income				55,726	0.29		
Total Portfolio	\$14,850,592	100.00%	1.72	\$19,133,117	100.00%	1.34	\$256,443

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY SHIELDS

Holdings Report — Account 1256

January 31, 2015

Shares or Par Value	Security	Unit Cost	Total Cost	Current Price	Market Value	Percent of Assets	Yield	Annual Income	S & P
Bonds									
346,000	AIRTRAN HOLDINGS INC CONV BOND 5.250 11/01/2016	161.63	559,128	308.69	1,066,059	5.58	1.70	18,165	BBB
690,000	ALZA CORP CONV BOND 07/28/2020	81.14	559,876	137.94	951,769	4.97	0.00	0	AAA
480,000	ANTHEM INC (WELLPOINT INC) 2.750 10/15/2042	120.21	576,990	183.06	878,700	4.59	1.50	13,200	A-
181,000	AOL INC 144A 0.750 09/01/2019	105.09	190,218	104.38	188,919	0.99	0.72	1,358	NR
303,000	APOLLO INVESTMENT CORP REG CONV BOND 5.750 01/15/2016	100.49	304,499	102.56	310,764	1.62	5.61	17,423	BBB
150,000	ARES CAPITAL CORP 4.750 01/15/2018	106.75	160,125	103.38	155,063	0.81	4.59	7,125	BBB
32,000	BROADSOFT INC 1.500 07/01/2018	96.88	31,000	103.25	33,040	0.17	1.45	480	NR
274,000	BROCADE COMMUNICATIONS 144A 1.375 01/01/2020	104.10	285,229	102.69	281,364	1.47	1.34	3,768	BB+
169,000	CHART INDUSTRIES INC 2.000 08/01/2018	135.55	229,072	93.69	158,332	0.83	2.13	3,380	BB-
521,000	CITRIX SYSTEMS INC 144A 0.500 04/15/2019	105.65	550,429	103.50	539,235	2.82	0.48	2,605	BBB
142,000	CORNERSTONE ONDEMAND INC REG 1.500 07/01/2018	115.85	164,501	98.88	140,403	0.73	1.52	2,130	NR
419,000	DANAHER CORP CNV BND REG 01/22/2021	101.16	423,870	239.19	1,002,196	5.24	0.00	0	A+
127,000	GILEAD SCIENCES INC 1.625 05/01/2016	317.73	403,512	460.50	584,836	3.06	0.35	2,064	A-
241,000	HELIUM ENERGY SOLUTIONS CONV BOND REG 3.250 03/15/2032	122.89	296,155	107.38	258,774	1.35	3.03	7,833	NR
235,000	HOTEL & RESORTS LP CNV BND 144A 2.500 10/15/2029	151.81	356,756	178.13	418,594	2.19	1.40	5,875	BBB
349,000	ILLUMINA INC 144A 06/15/2019	105.13	366,894	113.13	394,806	2.06	0.00	0	BBB-
79,000	INCYTE CORP LTD 0.375 11/15/2018	132.11	104,364	160.69	126,943	0.66	0.23	296	NR
59,000	INSULET CORPORATION REG 2.000 06/15/2019	100.00	59,000	98.31	58,004	0.30	2.03	1,180	NR
443,000	INTEL CORP CONV BND REG 2.950 12/15/2035	100.57	445,514	126.13	558,734	2.92	2.34	13,069	A-
326,000	INTEL CORP CONV BOND 3.250 08/01/2039	126.86	413,573	162.75	530,567	2.77	2.00	10,595	A-
83,000	INVENENSE INC 1.750 11/01/2018	99.24	82,366	95.75	79,473	0.42	1.83	1,453	NR
218,000	LIVE NATION ENTERTAINMENT 144A 2.500 05/15/2019	103.61	225,860	104.69	228,219	1.19	2.39	5,450	NR
68,000	MACQUARIE INFRASTRUCTURE REG 2.875 07/15/2019	100.00	68,000	115.31	78,413	0.41	2.49	1,955	BBB-
82,000	MICROCHIP TECHNOLOGY CONV BOND REG 2.125 12/15/2037	136.31	111,773	178.88	146,678	0.77	1.19	1,743	NR
291,000	NEWMONT MINING CONV BND REG 1.625 07/15/2017	121.45	353,418	103.69	301,731	1.58	1.57	4,729	BBB
48,000	NUANCE COMMUNICATIONS CONV BOND REG 2.750 11/01/2031	106.17	50,962	99.19	47,610	0.25	2.77	1,320	BB-
25,000	QUDEL CORP REG 3.250 12/15/2020	100.00	25,000	101.63	25,406	0.13	3.20	813	NR
368,000	RED HAT INC 144A 0.250 10/01/2019	100.00	368,000	113.69	418,370	2.19	0.22	920	BBB
450,000	RPM INTERNATIONAL INC REG 2.250 12/15/2020	121.14	545,151	114.94	517,219	2.70	1.96	10,125	BBB-
149,000	RTI INTERNATIONAL METALS REG 1.625 10/15/2019	103.90	154,805	92.81	138,291	0.72	1.75	2,421	NR
331,000	SALESFORCE.COM INC 0.250 04/01/2018	111.38	368,651	111.94	370,513	1.94	0.22	828	NR
556,000	SCHLUMBERGER 05/05/2015	136.47	758,773	145.34	808,090	4.22	0.00	0	NR
36,000	SOLARCITY CORP 144A 1.625 11/01/2019	100.00	36,000	87.13	31,365	0.16	1.87	585	NR

54

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAY SHIELDS

Holdings Report - Account 1256

January 31, 2015

Shares or Par Value	Security	Unit Cost	Total Cost	Current Price	Market Value	Percent of Assets	Yield	Annual Income	S & P
Bonds (Continued)									
180,000	TELEFLEX INC CONV BOND REG 3.875 08/01/2017	101.42	182,550	179.50	323,100	1.69	2.16	6,975	B+
597,000	TEVA PHARMACEUTICALS CONV BOND 0.250 02/01/2026	112.35	670,730	135.13	806,696	4.22	0.19	1,493	A-
553,000	THE PRICELINE GROUP INC CONV BOND REG 1.000 03/15/2018	113.18	625,877	125.25	692,633	3.62	0.80	5,530	BBB+
72,000	TIVO INC 144A 2.000 10/01/2021	100.00	72,000	92.13	66,330	0.35	2.17	1,440	NR
72,000	TWITTER INC 144A 0.250 09/15/2019	100.00	72,000	90.56	65,205	0.34	0.28	180	BB-
247,000	VERINT SYSTEMS INC 1.500 06/01/2021	105.14	259,684	106.94	264,136	1.38	1.40	3,705	B+
72,000	WABASH NATIONAL CORP CONV BOND 3.375 05/01/2018	121.62	87,568	127.81	92,025	0.48	2.64	2,430	NR
270,000	XILINX INC 2.625 06/15/2017	134.83	364,047	139.19	375,806	1.96	1.89	7,088	A-
			11,964,019		14,516,406	75.87	1.18	171,724	BB+
Stocks									
1,800	ALCOA INC	50.00	90,000	50.00	90,000	0.47	0.00	0	BB
500	AMERICAN TOWER CORP REG	100.00	50,000	108.50	54,250	0.28	1.22	663	NR
499	BANK OF AMERICA 7.250%	1,124.73	561,238	1,179.00	588,321	3.07	6.15	36,178	BB
3,600	CROWN CASTLE INTL CORP	102.26	368,139	108.82	391,752	2.05	0.00	0	NR
900	FIAT CHRYSLER AUTOMOBILE REG 7.875 12/15/2016	100.00	90,000	117.32	105,588	0.55	0.00	0	B-
1,000	HEALTH CARE RET 6.500 CNV PFD	50.00	50,000	71.25	71,250	0.37	4.56	3,250	BB+
1,000	MAIDEN HOLDINGS CNV PFD	50.00	50,000	47.55	47,550	0.25	0.00	0	NR
900	POST HOLDINGS INC 144A	100.00	90,000	106.84	96,156	0.50	0.00	0	NR
5,200	STANLEY BLACK & DECKER I CONV PFD UNITS	108.87	566,110	134.69	700,375	3.66	3.98	27,872	NR
1,900	T-MOBILE US INC	50.00	95,000	57.03	108,357	0.57	0.00	0	NR
2,700	TYSON FOODS INC REG	50.00	135,000	48.97	132,219	0.69	0.00	0	NR
6,200	UNITED TECHNOLOGIES CORP CONV PFD	64.11	397,485	59.93	371,566	1.94	3.13	11,625	BBB+
550	WELLS FARGO & COMPANY 7.500%	624.73	343,600	1,243.00	683,650	3.57	0.60	4,125	BBB
			2,886,572		3,441,034	17.98	2.43	83,712	B-
Cash & Equivalents									
	UNITED STATES DOLLAR 0.0900	0.00	1,119,951	1.00	1,119,951	5.85	0.09	1,008	AAA
			1,119,951		1,119,951	5.85	0.09	1,008	AAA
Accrued Income									
					55,726	0.29			
Total Portfolio			\$15,970,542		\$19,133,117	100.00%	1.34	\$256,443	BB+

55

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAYSHIELDS

Purchases Report — Account 1256

Month Ending January 31, 2015

Trade Date	Quantity (Units)	Security Description	Average Cost	Total Cost
Purchases				
01/09/15 - 01/14/15	274,000	BROCADE COMMUNICATIONS 144A 1.375 1/1/2020	104.10	285,229.22
01/21/15	47,000	VERINT SYSTEMS INC 1.500 6/1/2021	109.19	51,319.77
Total Purchases				<u>\$336,548.99</u>

BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

MACKAYSHIELDS

Sales Report — Account 1256

Month Ending January 31, 2015

Trade Date	Quantity (Units)	Security Description	Unit Cost	Total Proceeds	Realized Gain/Loss
Sell Long 01/20/15	167.000	INTEL CORP CONV BOND 3.250 8/1/2039	122.10	290,188.72	86,276.80
Total Sales				\$290,188.72	\$86,276.8

57

Ms. Crystal Herbert
 Bay County Financial Officer
 Bay County Retirement System
 515 Center Avenue
 Suite 701
 Bay City, MO 48708

Date 2/17/2015

Page 1 of 2

Commission Program Review
 Rep: MARY DAVIDSON

Month Summary: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: January 1, 2015 To January 31, 2015

	<u>January 2015</u>	<u>Year To Date</u>
Opening Balance:	\$3.00 ^{*cr}	\$3.00 ^{*cr}
Commission:	\$27.50	\$27.50
Credit:	\$0.00	\$0.00
Payments:	\$0.00	\$0.00
Adjustments:	\$0.00	\$0.00
Ending Balance:	\$3.00 ^{cr}	\$3.00 ^{cr}

**Previous Year's closing balance*

Manager Commission Summary

	<u>January 2015 Commission</u>	<u>January 2015 Credit</u>	<u>Year to Date Commission</u>	<u>Year to Date Credit</u>
HOTCHKIS & WILEY	\$27.50	\$0.00	\$27.50	\$0.00
Total:	\$27.50	\$0.00	\$27.50	\$0.00

<p><i>Are you considering making a portfolio change soon? Contact your Abel Noser representative or Transitions@abelnoser.com for information about our Transition Service which was rated #1 in the 'Overall Service' category in the 2013 aiCIO Global TM Survey.</i></p>

In order to comply with ERISA; It is our understanding that the monies disbursed from your commission recapture account are for the exclusive benefit of the plan's participants and their beneficiaries. Please contact us if you see there are any exceptions to this compliance.

Date 2/17/2015

Page 2 of 2

Commission Program Review

Rep: MARY DAVIDSON

Trade Details: BAY COUNTY EMPLOYEES RETIREMENT SYSTEM

Period: January 1, 2015 To January 31, 2015

Account: 1122-BAY COUNTY EMPL RET SYSTEM/ HOTCHKIS EAN71916

<u>trade date</u>	<u>side</u>	<u>ticker</u>	<u>security description</u>	<u>share</u>	<u>commission</u>	<u>credit</u>	<u>cumulation</u> <u>credit</u>
01/05/15	S	MTOR	MERITOR INC COM	900	\$9.00	\$0.00	\$0.00
01/07/15	B	KOS	KOSMOS ENERGY LTD SHS	600	\$3.00	\$0.00	\$0.00
01/07/15	B	KOS	KOSMOS ENERGY LTD SHS	500	\$5.00	\$0.00	\$0.00
01/15/15	B	HGR	HANGER INC COM NE	400	\$4.00	\$0.00	\$0.00
01/16/15	B	HGR	HANGER INC COM NE	100	\$1.00	\$0.00	\$0.00
01/20/15	B	HGR	HANGER INC COM NE	100	\$1.00	\$0.00	\$0.00
01/22/15	B	BPOP	POPULAR INC COM NE	300	\$1.50	\$0.00	\$0.00
01/22/15	B	BPOP	POPULAR INC COM NE	200	\$2.00	\$0.00	\$0.00
01/28/15	S	HELE	HELEN OF TROY CORP LTD COM	100	\$1.00	\$0.00	\$0.00
Account Total:				3,200	\$27.50	\$0.00	
Grand Total:				3,200	\$27.50	\$0.00	



1601 Elm Street, Suite 3900
Dallas, Texas 75201

214.720.0055
800.247.6729

Founded 1977
Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 1/31/2015

TOTAL COMMISSION

	January	YTD
Beginning Balance		
U.S. Equity	93.04	93.04
International Equity	-	-
Fixed Income	-	-
International Fixed Income	-	-
New Issues	-	-
Options	-	-
Futures	-	-
Foreign Currency	-	-
Syndicates	-	-
U.S. Correspondent Equity	41.34	41.34
Recapture Subtotals	\$ 134.38	\$ 134.38
Execution	\$ 0.00	\$ 0.00
Directed	\$ 0.00	\$ 0.00
Correspondent Broker/Dealer	\$ 0.00	\$ 0.00
Total	\$ 134.38	\$ 134.38

COMMISSION ALLOCATION

	January	YTD	January	YTD
<u>Execution</u>			<u>Recapture</u>	
	January	YTD	January	YTD
	46.52	46.52	\$380.62	\$380.62
	-	-	46.52	46.52
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	-	-
	19.29	19.29	22.05	22.05
	\$ 65.81	\$ 65.81	\$ 68.57	\$ 68.57
Total Earned			\$ 68.57	\$ 68.57
Total Redeemed			\$ 380.62	\$ 380.62
Balance as of 1/31/2015			\$ 68.57	\$ 68.57

89

Account Executive: Jon Lantz
Phone: (214) 978-4778

Sales Assistant: Christilla Moreno
Phone: (214) 978-4743



CAPITAL
INSTITUTIONAL
SERVICES, INC.

1601 Elm Street, Suite 3900
Dallas, Texas 75201

214.720.0055
800.247.6729

Founded 1977
Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.
CAPS Account: 10263

Settlement Month Ending: 1/31/2015

Summary of Segregated Account Detail

	January		YTD	
Payment from Segregated Account		\$ 380.62		\$ 380.62
		\$ 380.62		\$ 380.62

Segregated Account Detail

Service Period	Comments/Notes	Vendor Invoice #	Date Paid	January	Prior Months	YTD	Mixed Use %
December 2014	Commission Recapture	298802Bay Count	01/16/2015	\$ 380.62	\$ 0.00	\$ 380.62	
	Payment from Segregated Account Total			\$ 380.62	\$ 0.00	\$ 380.62	
	Grand Total			\$ 380.62	\$ 0.00	\$ 380.62	

61

Account Executive: Jon Lantz
Phone: (214) 978-4778

Sales Assistant: Christilla Moreno
Phone: (214) 978-4743



**CAPITAL
INSTITUTIONAL
SERVICES, INC.**

1601 Elm Street, Suite 3900
Dallas, Texas 75201

214.720.0055
800.247.6729

Founded 1977
Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 1/31/2015

Summary of Directed Commission by Manager

	Commission		Recapture Allocation	
	Shares	January	YTD	January
Columbia Management Advisors	1,378	\$41.34	\$41.34	\$22.05
Eagle Asset Management	4,652	93.04	93.04	46.52
	6,030	\$ 134.38	\$ 134.38	\$ 68.57
				\$ 68.57

Recapture Commission Activity

Trade Date	Stmt Date	Post Date	Side	Shares	Ticker	Security Description	Brokerage Account Number	Brokerage Account Name	Ex Brkr	Price	Commission	Recapture Allocation
12/08/2014	12/11/2014	01/29/2015	B	1,378	AES	AES CORP	3MB01C57	ES3D BAY COUNTY	WEEDEN	13.5662	41.34	22.05
Total for Columbia Management Advisors				1,378							\$ 41.34	\$ 22.05
Eagle Asset Management												
01/05/2015	01/08/2015	01/06/2015	B	1,140	KERX	KERYX BIOPHARMACEUTICAL	3PF07W51	05231100 BAY CITY	CAPIS	13.9297	22.80	11.40
01/13/2015	01/16/2015	01/14/2015	S	1,077	HLSS	HOME LN SERV/CING SOLTNS	3PF07W51	05231100 BAY CITY	CAPIS	13.0705	21.54	10.77
01/13/2015	01/16/2015	01/14/2015	S	1,174	HLSS	HOME LN SERV/CING SOLTNS	3PF07W51	05231100 BAY CITY	CAPIS	12.7716	23.48	11.74
01/27/2015	01/30/2015	01/28/2015	S	1,261	KERX	KERYX BIOPHARMACEUTICAL	3PF07W51	05231100 BAY CITY	CAPIS	13.2110	25.22	12.61
Total for Eagle Asset Management				4,652							\$ 93.04	\$ 46.52
Recapture Trade Total				6,030							\$ 134.38	\$ 68.57

62

Account Executive: Jon Lantz
Phone: (214) 978-4778

Sales Assistant: Christilla Moreno
Phone: (214) 978-4743



1601 Elm Street, Suite 3900
Dallas, Texas 75201

214.720.0055
800.247.6729

Founded 1977
Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 1/31/2015

Summary of Activity by Month						
	Commission		Recapture Allocation		Redeemed Recapture	
	Month	YTD	Month	YTD	Month	YTD
Beginning Balance						
January	\$134.38	\$134.38	\$68.57	\$68.57	\$380.62	\$380.62
						\$380.62
						\$68.57



1601 Elm Street, Suite 3900
Dallas, Texas 75201

214.720.0055
800.247.6729

Founded 1977
Member NYSE, FINRA, NFA, SIPC

Bay County Employees' Ret. Sys.

CAPIS Account: 10263

Settlement Month Ending: 1/31/2015

Explanation of Your Statement

Total Commission is a summary of brokerage transactions by security type. The Commission Allocation is the amount applicable to Execution and Research/Recapture for both the month and the year-to-date.

Research Payment Detail recaps by vendor the payments made from the Commission Allocation for Research, including service period covered, any comments or notes, vendor invoice number, date paid, and the percentage allocated for mixed-use payments during the current month.

Payment from Segregated Account summarizes the year-to-date disbursements made based on the Commission Allocation for Recapture.

Trade Blotter shows the monthly detail of all brokerage transactions based on trade or settlement date and the corresponding Commission and Research/Recapture Allocation.

Execution Only Trade Blotter shows the monthly detail of all brokerage transactions based on trade or settlement date.

Directed Commission Reports show all trades executed for or by CAPIS at the direction of a plan sponsor. The manager's statement is a listing by each plan sponsor providing direction. The plan sponsor's statement provides a listing for each manager who has directed trades for the period.

Transition Statement will only be included if a change is made in reporting from Trade Date to Settlement Date or the reverse. This report is a summary of any transactions that fall into the transition period between the Trade Date and Settlement Date and vice versa.

Research Commission Allocation

The Commission Allocation for Research is not a contractual liability of CAPIS and is not redeemable in cash. CAPIS provides third-party research and brokerage services to clients for commission generated through transactions. CAPIS reserves the right to refuse payment of any invoice.

The Commission Allocation for Research and Recapture is calculated on settlement date. If your statement is based on trade date detail, your Commission Allocation balance could be higher or lower depending upon account activity between month end and final settlement date.

Statement Online

This statement may be viewed online by logging into the Concourse portal at www.capis.com. If you do not have a login ID or password, one can be obtained from your CAPIS Account Executive.

Our current financial statement is available online at www.capis.com. Additionally, this statement is available for your personal inspection at our offices or a copy will be mailed upon your written request.

Also available online or upon written request are our policies regarding the following programs: Customer Identification Program, Privacy Policy, Reg NMS 606 Report, SIPC Notification, Payment for Order Flow Practices, and Extended Hours Trading.

Please advise CAPIS promptly of any inaccuracies or discrepancies in your account statement. In order to protect your rights, including those under the Securities Investors Protection Act (SIPA), all oral communications regarding discrepancies must be re-confirmed in writing to the following address:

Capital Institutional Services, Inc.
Attention: Compliance
1601 Elm Street, Suite 3900
Dallas, TX 75201

Account Executive: Jon Lantz

Phone: (214) 978-4778

Sales Assistant: Christilla Moreno

Phone: (214) 978-4743

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Jan 1, 2015 To Jan 31, 2015

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
--	----------	-----------	--------------	---------------	-------

ACCOUNT NUMBER : 2608694

ACCOUNT NAME : *BAYCO - COLUMBIA MANAGEMENT

CURRENCY : USD

OPEN CASH	0.00	2,018.98	0.00	0.00	2,018.98
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,018.98	0.00	0.00	2,018.98
TOTAL REBATES	0.00	180.77	0.00	0.00	180.77
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,838.21	0.00	0.00	1,838.21
BANK FEES	0.00	735.03	0.00	0.00	735.03
NET INCOME	0.00	1,103.18	0.00	0.00	1,103.18

ACCOUNT NUMBER : 2618668

ACCOUNT NAME : *BAYCO - BAIRD -SL

CURRENCY : USD

OPEN CASH	1,817.02	0.00	0.00	0.00	1,817.02
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,817.02	0.00	0.00	0.00	1,817.02
TOTAL REBATES	938.05	0.00	0.00	0.00	938.05
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	878.97	0.00	0.00	0.00	878.97
BANK FEES	351.52	0.00	0.00	0.00	351.52
NET INCOME	527.45	0.00	0.00	0.00	527.45

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Jan 1, 2015 To Jan 31, 2015

Page 2 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
--	----------	-----------	--------------	---------------	-------

ACCOUNT NUMBER : 2622490

ACCOUNT NAME : *BAYCO - MACKAY SHIELDS -SL

CURRENCY : USD

OPEN CASH	861.22	113.61	0.00	7.49	982.32
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	262.86	0.00	0.00	0.00	262.86
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	1,124.08	113.61	0.00	7.49	1,245.18
TOTAL REBATES	-1,139.08	9.94	0.00	0.31	-1,128.83
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	2,263.16	103.67	0.00	7.18	2,374.01
BANK FEES	904.89	41.38	0.00	2.84	949.11
NET INCOME	1,358.27	62.29	0.00	4.34	1,424.90

ACCOUNT NUMBER : 2622536

ACCOUNT NAME : *BAYCO - HOTCHKIS & WILEY -SL

CURRENCY : USD

OPEN CASH	0.00	1,008.15	0.00	254.30	1,262.45
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	3.42	0.00	0.00	3.42
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,011.57	0.00	254.30	1,265.87
TOTAL REBATES	0.00	57.49	0.00	16.99	74.48
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	954.08	0.00	237.31	1,191.39
BANK FEES	0.00	378.78	0.00	94.25	473.03
NET INCOME	0.00	575.30	0.00	143.06	718.36

660

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Jan 1, 2015 To Jan 31, 2015

Page 3 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
--	----------	-----------	--------------	---------------	-------

ACCOUNT NUMBER : 2641401

ACCOUNT NAME : *BAYCO - LOOMIS SAYLES -SL

CURRENCY : USD

OPEN CASH	931.88	0.00	566.16	0.00	1,498.04
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	25.06	0.00	24.91	0.00	49.97
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	956.94	0.00	591.07	0.00	1,548.01
TOTAL REBATES	63.70	0.00	-471.79	0.00	-408.09
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	893.24	0.00	1,062.86	0.00	1,956.10
BANK FEES	356.50	0.00	424.86	0.00	781.36
NET INCOME	536.74	0.00	638.00	0.00	1,174.74

ACCOUNT NUMBER : 2649057

ACCOUNT NAME : *BAYCO GENEVA CAPITAL MGMT -SL

CURRENCY : USD

OPEN CASH	0.00	2,015.89	0.00	95.13	2,111.02
TERM CASH	0.00	49.48	0.00	0.00	49.48
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,065.37	0.00	95.13	2,160.50
TOTAL REBATES	0.00	200.98	0.00	8.29	209.27
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,864.39	0.00	86.84	1,951.23
BANK FEES	0.00	745.21	0.00	34.65	779.86
NET INCOME	0.00	1,119.18	0.00	52.19	1,171.37

67

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Jan 1, 2015 To Jan 31, 2015

Page 4 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
--	----------	-----------	--------------	---------------	-------

ACCOUNT NUMBER : 2653308

ACCOUNT NAME : *BAYCO - INTEGRITY -SL

CURRENCY : USD

OPEN CASH	0.00	1,632.21	0.00	124.94	1,757.15
TERM CASH	0.00	77.88	0.00	0.00	77.88
NON CASH	0.00	7.90	0.00	5.75	13.65
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,717.99	0.00	130.69	1,848.68
TOTAL REBATES	0.00	45.75	0.00	-20.04	25.71
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,672.24	0.00	150.73	1,822.97
BANK FEES	0.00	667.54	0.00	60.15	727.69
NET INCOME	0.00	1,004.70	0.00	90.58	1,095.28

ACCOUNT NUMBER : 2663296

ACCOUNT NAME : *BAYCO - CORNERSTONE REALES-SL

CURRENCY : USD

OPEN CASH	0.00	1,186.50	0.00	0.00	1,186.50
TERM CASH	0.00	0.00	0.00	0.00	0.00
NON CASH	0.00	0.00	0.00	0.00	0.00
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,186.50	0.00	0.00	1,186.50
TOTAL REBATES	0.00	102.61	0.00	0.00	102.61
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,083.89	0.00	0.00	1,083.89
BANK FEES	0.00	432.50	0.00	0.00	432.50
NET INCOME	0.00	651.39	0.00	0.00	651.39

89

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Jan 1, 2015 To Jan 31, 2015

Page 5 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
--	----------	-----------	--------------	---------------	-------

ACCOUNT NUMBER : 2683854

ACCOUNT NAME : *BAYCO - MFS INVESTMENTS -SL

CURRENCY : USD

OPEN CASH	0.00	1,905.55	0.00	324.00	2,229.55
TERM CASH	0.00	12.69	0.00	0.00	12.69
NON CASH	0.00	82.30	0.00	0.00	82.30
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	2,000.54	0.00	324.00	2,324.54
TOTAL REBATES	0.00	143.74	0.00	-133.00	10.74
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,856.80	0.00	457.00	2,313.80
BANK FEES	0.00	742.10	0.00	182.56	924.66
NET INCOME	0.00	1,114.70	0.00	274.44	1,389.14

ACCOUNT NUMBER : 2695063

ACCOUNT NAME : *BAYCO - EAGLE ASSET -SL

CURRENCY : USD

OPEN CASH	0.00	1,371.15	0.00	35.72	1,406.87
TERM CASH	0.00	63.07	0.00	0.00	63.07
NON CASH	0.00	0.00	0.00	8.73	8.73
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	0.00	1,434.22	0.00	44.45	1,478.67
TOTAL REBATES	0.00	-407.25	0.00	-13.90	-421.15
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	0.00	1,841.47	0.00	58.35	1,899.82
BANK FEES	0.00	733.66	0.00	23.25	756.91
NET INCOME	0.00	1,107.81	0.00	35.10	1,142.91

69

Securities Lending

Summary Earnings Report for MR

2618668,2608694,2663296,2695063,2622536,2653308,26

From Jan 1, 2015 To Jan 31, 2015

Page 6 of 6

	US FIXED	US EQUITY	GLOBAL FIXED	GLOBAL EQUITY	TOTAL
GRAND TOTAL					
CURRENCY : USD					
OPEN CASH	3,610.12	11,252.04	566.16	841.58	16,269.90
TERM CASH	0.00	203.12	0.00	0.00	203.12
NON CASH	287.92	93.62	24.91	14.48	420.93
DEAL STOCKS	0.00	0.00	0.00	0.00	0.00
EXCLUSIVES	0.00	0.00	0.00	0.00	0.00
GROSS EARNINGS	3,898.04	11,548.78	591.07	856.06	16,893.95
TOTAL REBATES	-137.33	334.03	-471.79	-141.35	-416.44
COMMISSIONS	0.00	0.00	0.00	0.00	0.00
CLIENT EARNINGS	4,035.37	11,214.75	1,062.86	997.41	17,310.39
BANK FEES	1,612.91	4,476.20	424.86	397.70	6,911.67
NET INCOME	2,422.46	6,738.55	638.00	599.71	10,398.72

Although this report has been prepared using information believed to be reliable, it may contain information provided by third parties or derived from third party information, and/or information that may have been obtained from, categorized or otherwise reported based upon client direction. The Northern Trust Company does not guarantee the accuracy, timeliness or completeness of any such information. The information included in this report is intended to assist clients with their financial reporting needs, but you must consult with your accountants, auditors and/or legal counsel to ensure your accounting and financial reporting complies with applicable laws, regulations and accounting guidance. The Northern Trust Company and its affiliates shall have no responsibility for the consequences of investment decisions made in reliance on information contained in this report.

IRS CIRCULAR 230 NOTICE: To the extent that this message or any attachment concerns tax matters, it is not intended to be used and cannot be used by a taxpayer for the purpose of avoiding penalties that may be imposed by law. For more information about this notice, see <http://www.northerntrust.com/circular230>.

Northern Trust

* Generated on 02 Mar 15 11:24 No. 60525

REFUNDS: FOR THE MONTH ENDED:

February 28, 2015

EMPLOYEE/BENEFICIARY	CONTRIBUTIONS	PROCESSED	DEPARTMENT	TERMINATION
Lemuel, Tina	3,459.85	2/2/15	BABH	11/4/14
Piotrowski, Melissa	11,603.72	2/15/15	BMCF	1/10/15

TOTAL REFUNDS: 15,063.57

NEW RETIREE	CONTRIBUTIONS TRANSFERRED	RETIREMENT GROUP/ COUNTY DEPT	EFFECTIVE DATE
Borchard, Randy	74,785.98	ROAD	1/15/2015
Putt, Richard	84,943.32	road	1/15/2015
Mader, Marilyn	\$43,476.98	BMCF	1/31/2015

DECEASED EMPLOYEE/ RETIREE	BENEFICIARY	REFUND/ PENSION	DATE OF DEATH	DIVISION/ DEPARTMENT
-------------------------------	-------------	--------------------	---------------	-------------------------

NO REFUNDS EMPLOYEE NAME	ACCUMULATED CONTRIBUTIONS	UNION GROUP	DATE TERMINATED
QUARANTA, HANNAH	308.81	BMC - GEN UNIT	1/20/2015
CLEMENTS, REBEKAH	1.75	GEN USW PT	1/16/2015
WILLARD, KAREN	11,554.99	GEN USW FT	1/5/2015

11,865.55

Bay County Michigan

03/03/2015 12:44
RMasters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P 1
glytbdud

FOR 2015 02

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
7310 RETIREMENT SYSTEM FUND							
73127400 RETIREMENT BOARD							
RA FUND BALANCE, NET AS							
73127400 40001 FUND BALANCE	0	0	.00	.00	.00	.00	.0%
73127400 40003 FUND BALANCE-RESRVS	36,190	36,190	.00	.00	.00	36,190.00	.0%
73127400 40004 NET ASSETS - RESERV	3,763,344	3,763,344	.00	.00	.00	3,763,344.00	.0%
TOTAL FUND BALANCE, NET AS	3,799,534	3,799,534	.00	.00	.00	3,799,534.00	.0%
RJ LOCAL UNIT CONTRIBUT							
73127400 59401 ER CONTR-BEHAVE, HEA	-1,300,000	-1,300,000	.00	.00	.00	-1,300,000.00	.0%
73127400 59402 ER CONTR-MOSQUITO C	-13,000	-13,000	-810.72	.00	.00	-12,189.28	6.2%
73127400 59403 ER CONTR-HEALTH FUN	-57,000	-57,000	-4,859.59	.00	.00	-52,140.41	8.5%
73127400 59404 ER CONTR-ROAD COMM	-520,000	-520,000	.00	.00	.00	-520,000.00	.0%
73127400 59406 ER CONTR-LIBRARY	-130,000	-130,000	.00	.00	.00	-130,000.00	.0%
73127400 59407 ER CONTR-GOLF COURSE	-6,000	-6,000	-251.83	.00	.00	-5,748.17	4.2%
73127400 59408 ER CONTR-GENERAL FU	-375,000	-375,000	-31,790.98	.00	.00	-343,209.02	8.5%
73127400 59409 ER CONTR-DMS	-250,000	-250,000	.00	.00	.00	-250,000.00	.0%
73127400 59410 ER CONTR-911 SERVIC	-45,000	-45,000	-2,697.46	.00	.00	-42,302.54	6.0%
73127400 59411 ER CONTR-CHILD CARE	-40,000	-40,000	-2,669.05	.00	.00	-37,330.95	5.7%
73127400 59412 ER CONTR-DIV ON AGI	-43,000	-43,000	-2,132.07	.00	.00	-40,867.93	5.0%
73127400 59413 ER CONTR-RETIRES SYS	-1,800	-1,800	-153.78	.00	.00	-1,646.22	8.5%
73127400 59414 ER CONTR-HOMELAND S	-3,500	-3,500	.00	.00	.00	-3,500.00	.0%
73127400 59415 ER CONTR-GYPSY MOTH	-2,000	-2,000	-122.11	.00	.00	-1,877.89	6.1%
73127400 59416 ER CONTR-HOME REHAB	-180	-180	-6.31	.00	.00	-173.69	3.5%
73127400 59418 ER CONTR-100% TAX P	-3,200	-3,200	-177.74	.00	.00	-3,022.26	5.6%
73127400 59419 ER CONTR-MED CARE F	-700,000	-700,000	.00	.00	.00	-700,000.00	.0%
73127400 59424 ER CONTR-SELF INSUR	-500	-500	-34.35	.00	.00	-465.65	6.9%
73127400 59427 ER CONTR-COMM CORE	-3,100	-3,100	-100.86	.00	.00	-2,999.14	3.3%
73127400 59429 ER CONTR-F.O.C. FUN	-2,100	-2,100	-167.50	.00	.00	-1,932.50	8.0%
73127400 59430 ER CONTR-HOUSING FU	-6,800	-6,800	-367.12	.00	.00	-6,432.88	5.4%
73127400 59434 ER CONTR-SHERIFF DE	0	0	.00	.00	.00	.00	.0%
73127400 59439 ER CONTR-BEHAVE, HEA	-580,000	-580,000	.00	.00	.00	-580,000.00	.0%

72

Bay County Michigan

03/03/2015 12:44
Rmasteers

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P
glyttdbud 2

FOR 2015 02

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 59502 EE CONTR-MOSQUITO C	-12,500	-12,500	-810.72	.00	.00	-11,689.28	6.5%*
73127400 59503 EE CONTR-HEALTH FUN	-60,000	-60,000	-4,859.59	.00	.00	-55,140.41	8.1%*
73127400 59504 EE CONTR-ROAD COMM	-130,000	-130,000	.00	.00	.00	-130,000.00	.0%*
73127400 59506 EE CONTR-LIBRARY	-75,000	-75,000	.00	.00	.00	-75,000.00	.0%*
73127400 59507 EE CONTR-GOLF COURSE	-4,800	-4,800	-251.83	.00	.00	-4,548.17	5.2%*
73127400 59508 EE CONTR-GENERAL FU	-500,000	-500,000	-32,789.20	.00	.00	-467,210.80	6.6%*
73127400 59509 EE CONTR-DMS	-85,000	-85,000	.00	.00	.00	-85,000.00	.0%*
73127400 59510 EE CONTR-911 SERVIC	-62,000	-62,000	-4,590.60	.00	.00	-57,409.40	7.4%*
73127400 59511 EE CONTR-CHILD CARE	-40,000	-40,000	-2,669.05	.00	.00	-37,330.95	6.7%*
73127400 59512 EE CONTR-DIV ON AGI	-43,000	-43,000	-2,132.07	.00	.00	-40,867.93	5.0%*
73127400 59513 EE CONTR-RETIRE SYS	-1,800	-1,800	-153.78	.00	.00	-1,646.22	8.5%*
73127400 59514 EE CONTR-HOMELAND S	0	0	.00	.00	.00	.00	.0%*
73127400 59515 EE CONTR-GYPSY MOTH	-1,900	-1,900	-122.11	.00	.00	-1,777.89	5.4%*
73127400 59516 EE CONTR-HOME REHAB	-180	-180	-6.31	.00	.00	-173.69	3.5%*
73127400 59518 EE CONTR-100% TAX P	-3,000	-3,000	-177.74	.00	.00	-2,822.26	5.9%*
73127400 59519 EE CONTR-MED CARE F	-380,000	-380,000	.00	.00	.00	-380,000.00	.0%*
73127400 59524 EE CONTR-SELF INSUR	-400	-400	-34.35	.00	.00	-365.65	8.6%*
73127400 59527 EE CONTR-COMM CORE	-3,100	-3,100	-100.86	.00	.00	-2,999.14	3.3%*
73127400 59529 EE CONTR-F.O.C. FUN	-2,100	-2,100	-167.50	.00	.00	-1,932.50	8.0%*
73127400 59530 EE CONTR-HOUSING FU	-6,800	-6,800	-367.12	.00	.00	-6,432.88	5.4%*
73127400 59534 EE CONTR-LOCAL CEO	0	0	.00	.00	.00	.00	.0%*
73127400 59539 EE CONTR-SHERIFF DE	-245,000	-245,000	-8,337.14	.00	.00	-236,662.86	3.4%*
TOTAL LOCAL UNIT CONTRIBUT	-5,738,760	-5,738,760	-103,911.44	.00	.00	-5,634,848.56	1.8%
RP INTEREST & RENTALS							
73127400 66400 INVESTMENT INTEREST	-5,000,000	-5,000,000	.00	.00	.00	-5,000,000.00	.0%*
73127400 66500 GAIN ON SALE OF INV	-15,000,000	-15,000,000	.00	.00	.00	-15,000,000.00	.0%*
73127400 66501 UNREALIZED GAIN ON	-3,000,000	-3,000,000	.00	.00	.00	-3,000,000.00	.0%*
73127400 66502 GAIN ON FOREIGN CUR	-40,000	-40,000	.00	.00	.00	-40,000.00	.0%*
73127400 66600 SECURITIES LENDING	-300,000	-300,000	.00	.00	.00	-300,000.00	.0%*
TOTAL INTEREST & RENTALS	-23,340,000	-23,340,000	.00	.00	.00	-23,340,000.00	.0%
RR OTHER REVENUE							
73127400 67104 MISCELLANEOUS REVENUE	0	0	.00	.00	.00	.00	.0%*
73127400 67600 REIMBURSEMENTS	0	0	.00	.00	.00	.00	.0%*
73127400 67601 REIMBURSEMENT - IND	0	0	.00	.00	.00	.00	.0%*

73

Bay County Michigan

03/03/2015 12:44
RMAsters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P 3
glytdbud

FOR 2015 02

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 68900 TRADE-IN ALLOWANCE	0	0	.00	.00	.00	.00	.0%
73127400 69000 COMMISSION RECAPTUR	-25,000	-25,000	.00	.00	.00	-25,000.00	.0%*
73127400 69200 CLAIMS/SETTLEMENTS/	-150,000	-150,000	.00	.00	.00	-150,000.00	.0%*
TOTAL OTHER REVENUE	-175,000	-175,000	.00	.00	.00	-175,000.00	.0%
XE WAGES & SALARIES							
73127400 70300 SALARIES-ELECTED OR	49,153	49,153	6,294.09	3,517.28	.00	42,858.91	12.8%
73127400 70500 TEMPORARY HELP	12,740	12,740	1,162.73	755.09	.00	11,577.27	9.1%
73127400 70501 PART TIME WAGES	6,238	6,238	1,287.63	714.02	.00	4,950.37	20.6%*
73127400 70600 OVERTIME	2,809	2,809	.00	.00	.00	2,809.00	.0%
73127400 70800 HOLIDAY PAY	0	0	655.74	218.58	.00	-655.74	100.0%*
73127400 71000 PER DIEM	3,420	3,420	270.00	135.00	.00	3,150.00	7.9%
73127400 71200 VACATION PAY	0	0	.00	.00	.00	.00	.0%
73127400 71202 SICK PAY	0	0	.00	.00	.00	.00	.0%
73127400 71203 TERMINATION SICK PA	0	0	.00	.00	.00	.00	.0%
73127400 71204 TERMINATION VACTION	0	0	.00	.00	.00	.00	.0%
TOTAL WAGES & SALARIES	74,360	74,360	9,670.19	5,339.97	.00	64,689.81	13.0%
XF FRINGES							
73127400 71500 SOCIAL SECURITY	4,097	4,097	652.04	361.62	.00	3,444.96	15.9%
73127400 71600 HEALTH INSURANCE	12,989	12,989	2,164.68	1,082.34	.00	10,824.32	16.7%
73127400 71603 RETIREE HEALTH CARE	0	0	.00	.00	.00	.00	.0%
73127400 71632 EMPLOYER INCENTIVE	103	103	.00	.00	.00	103.00	.0%
73127400 71700 LIFE INSURANCE	131	131	14.40	7.20	.00	116.60	11.0%
73127400 71800 RETIREMENT	4,434	4,434	677.18	369.62	.00	3,756.82	15.3%
73127400 71900 OTHER FRINGE BENEFIT	96	96	.00	.00	.00	96.00	.0%
73127400 72001 SIF ADMINISTRATION	0	0	.00	.00	.00	.00	.0%
73127400 72100 WORKERS' COMPENSATI	84	84	14.11	7.81	.00	69.89	16.8%*
73127400 72200 SICK AND ACCIDENT I	517	517	71.93	38.88	.00	445.07	13.9%*
73127400 72500 UNEMPLOYMENT COMPEN	251	251	42.30	23.42	.00	208.70	16.9%*
TOTAL FRINGES	22,702	22,702	3,636.64	1,890.89	.00	19,065.36	16.0%
XI SUPPLIES							
73127400 72700 OFFICE SUPPLIES	2,000	2,000	316.60	.00	.00	1,683.40	15.8%

74

Bay County Michigan

03/03/2015 12:44
Rmatters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P 4
gtytcbud

FOR 2015 02

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 72702 BOOK SUPPLIES	0	0	.00	.00	.00	.00	.0%
73127400 72800 PRINTING AND BINDIN	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 72900 POSTAGE	300	300	24.88	.00	.00	275.12	8.3%
73127400 73000 MAGAZINES AND PERIO	600	600	.00	.00	.00	600.00	.0%
73127400 73301 COPIER / FAX SUPPLI	500	500	.00	.00	.00	500.00	.0%
73127400 74200 FOOD SUPPLIES	150	150	.00	.00	.00	150.00	.0%
73127400 74700 PHOTO & MICROFILM/F	0	0	.00	.00	.00	.00	.0%
73127400 75100 COMPUTER SUPPLIES	1,500	1,500	.00	.00	.00	1,500.00	.0%
TOTAL SUPPLIES	6,050	6,050	341.48	.00	.00	5,708.52	5.6%

XL OTHER SERVICES AND C

73127400 80100 PROFESSIONAL SERVIC	1,500,000	1,500,000	55,747.33	55,747.33	.00	1,444,252.67	3.7%
73127400 80101 ACTUARIAL SERVICES	40,000	40,000	.00	.00	.00	40,000.00	.0%
73127400 80200 CONTRACTUAL SERVICE	0	0	.00	.00	.00	.00	.0%
73127400 81200 MEDICAL SERVICES	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 81400 INVESTMENT/BANK SER	230,000	230,000	.00	.00	.00	230,000.00	.0%
73127400 81700 LEGAL FEES	7,500	7,500	.00	.00	.00	7,500.00	.0%
73127400 81900 CONSULTANTS	140,000	140,000	35,000.00	.00	.00	105,000.00	25.0%*
73127400 82000 MEMBERSHIPS AND DUE	550	550	.00	.00	.00	550.00	.0%
73127400 82900 FILING FEES	250	250	.00	.00	.00	250.00	.0%
73127400 83500 HEALTH SERVICES	0	0	.00	.00	.00	.00	.0%
73127400 85200 TELEPHONE	420	420	7.93	.00	.00	412.07	1.9%
73127400 86100 CONFERENCE FEES & F	15,000	15,000	.00	.00	.00	15,000.00	.0%
73127400 86500 STATE TRAVEL MILEAG	2,000	2,000	.00	.00	.00	2,000.00	.0%
73127400 86600 LOCAL TRAVEL MILEAG	300	300	24.08	.00	.00	275.92	8.0%
73127400 87500 PENSION PAYMENTS	13,000,000	13,000,000	.00	.00	.00	13,000,000.00	.0%
73127400 90000 PRINTING/PUBLISHING	500	500	.00	.00	.00	500.00	.0%
73127400 90100 LEGAL NOTICES	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 93100 EQUIPMENT REPAIR &	500	500	.00	.00	.00	500.00	.0%
73127400 93700 HARD/SOFTWARE REPAI	0	0	.00	.00	.00	.00	.0%
73127400 94601 MISCELLANEOUS	5,000	5,000	61.37	.00	.00	4,938.63	1.2%
73127400 95500 INDIRECT COST EXREN	500	500	.00	.00	.00	500.00	.0%
73127400 96000 EDUCATION AND TRAI	110,094	110,094	18,349.00	9,174.50	.00	91,745.00	16.7%
73127400 96200 LOSS ON DISPOSAL OF	1,500	1,500	2,997.50	2,997.50	.00	-1,497.50	199.8%*
73127400 96201 UNREALIZED LOSS ON	10,000,000	10,000,000	.00	.00	.00	10,000,000.00	.0%
73127400 96203 LOSS ON FOREIGN CUR	0	0	.00	.00	.00	.00	.0%
73127400 96401 CONTRIB REFUND-GENE	100,000	100,000	.00	.00	.00	100,000.00	.0%
73127400 96402 CONTRIB REFUND-SHER	60,000	60,000	.00	.00	.00	60,000.00	.0%
73127400 96403 CONTRIB REFUND-ROAD	5,000	5,000	.00	.00	.00	5,000.00	.0%

75

Bay County Michigan

03/03/2015 12:44
Marsters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P 5
gtyrbud

FOR 2015 02

	ORIGINAL APPROP	REVISED BUDGET	YTD ACTUAL	MTD ACTUAL	ENCUMBRANCES	AVAILABLE BUDGET	PCT USED
73127400 96404 CONTRIB REFUND-MED	40,000	40,000	.00	.00	.00	40,000.00	.0%
73127400 96405 CONTRIB REFUND-B.A.	50,000	50,000	.00	.00	.00	50,000.00	.0%
73127400 96406 CONTRIB REFUND-D.W.	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96407 CONTRIB REFUND-LIBR	5,000	5,000	.00	.00	.00	5,000.00	.0%
73127400 96500 INSURANCE AND BONDS	22,000	22,000	.00	.00	.00	22,000.00	.0%
73127400 96730 MACHINERY & EQUIPME	2,000	2,000	.00	.00	.00	2,000.00	.0%
73127400 96740 OFFICE BUILP & FURN	1,000	1,000	.00	.00	.00	1,000.00	.0%
73127400 96741 COMPUTER HARDWARE E	0	0	.00	.00	.00	.00	.0%
73127400 96742 COMPUTER SOFTWARE E	0	0	.00	.00	.00	.00	.0%
73127400 96770 BOOK EXPENSE	0	0	.00	.00	.00	.00	.0%
73127400 96999 BUDGET REDUCTION TA	0	0	.00	.00	.00	.00	.0%
TOTAL OTHER SERVICES AND C	25,351,114	25,351,114	112,187.21	67,919.33	.00	25,238,926.79	.4%
XQ CAPITAL OUTLAY							
73127400 98001 COMPUTER SOFTWARE	0	0	.00	.00	.00	.00	.0%
TOTAL CAPITAL OUTLAY	0	0	.00	.00	.00	.00	.0%
TOTAL RETIREMENT BOARD	0	0	21,924.08	75,150.19	.00	-21,924.08	100.0%
TOTAL RETIREMENT SYSTEM FUND	0	0	21,924.08	75,150.19	.00	-21,924.08	100.0%
TOTAL REVENUES	-25,454,226	-25,454,226	-103,911.44	.00	.00	-25,350,314.56	
TOTAL EXPENSES	25,454,226	25,454,226	125,835.52	75,150.19	.00	25,328,390.48	
GRAND TOTAL	0	0	21,924.08	75,150.19	.00	-21,924.08	100.0%

** END OF REPORT - Generated by Rebecca Marsters **

76

Bay County Michigan

03/03/2015 12:44
RMarsters

BAY COUNTY, MI
YEAR-TO-DATE BUDGET REPORT

P
glytdbud 6

REPORT OPTIONS

Sequence	Field #	Total	Page	Break
Sequence 1	1	Y	N	N
Sequence 2	9	Y	N	N
Sequence 3	10	Y	N	N
Sequence 4	0	N	N	N

Report title:
YEAR-TO-DATE BUDGET REPORT

Print Full or Short description: F
Print MTD Version: Y
Print Revenues-Version headings: N
Format type: 1
Print revenue budgets as zero: N
Include Fund Balance: N
Include requisition amount: N
Multiyear view: D

Year/Period: 2015/ 2
Print revenue as credit: Y
Print totals only: N
Suppress zero bal accts: N
Print full GL account: N
Double space: N
Roll projects to object: N
Carry forward code: 1
Print journal detail: N
From Yr/Per: 2014/ 7
To Yr/Per: 2014/ 7
Include budget entries: Y
Incl encumb/liq entries: Y
Sort by JE # or PO #: J
Detail format option: 1

Field Name Find Criteria
Field Value

73127400

Org
Object
Project
Rolling code
Account type
Account status

BCERS Invoices Approved: February

Invoice Date	Vendor	Amount	Description
2/3/2015	GRS	2,400.00	Annual data collection software license fee
1/28/2015	OfficeMax	\$ 316.60	color paper for scanning project
1/19/2015	Baird	19,043.18	Q4 2014 money manager fee
1/22/2015	Integrity	43,423.00	Q4 2014 money manager fee
1/16/2015	SVSU	\$ 2,997.50	Certified Public Manager class Rebecca
2/6/2015	Office Depot	\$ 70.97	printer ink
2/6/2015	Cornerstone	21,044.67	Q4 2014 money manager fee
2/2/2015	Shred Experts	\$ 25.00	Shredding services
2/13/2015	Schroders	\$ 34,677.66	Q4 2014 money manager fee

VEBA Invoices Approved: February

Invoice Date	Vendor	Amount	Description
1/14/2015	C.S. McKee	\$ 11,481.75	Q4 2014 money manager fee

BAY COUNTY RETIREMENT BOARD
3/10/15
RESOLUTION

- BY: BAY COUNTY RETIREMENT BOARD (3/10/15)
- WHEREAS, Over the last few months The Bogdahn Group and Staff have been working on updating Investment Policy Statement ("IPS") on behalf of the Bay County Employees' retirement System's (the "System") as a result of the acquisition of Becker Burke & Associates by The Bogdahn Group.
- WHEREAS, The purpose of the updated IPS is due to Bogdahn's preference to have all of its clients' investment policies in a similar format and structure.
- WHEREAS, The resulting proposed IPS includes Addendums for each of the investment managers that manages a separate account with the System.
- WHEREAS, Bogdahn requests that each separate account investment manager review their respective addendum and sign it to confirm the strategy and associated benchmarks for which they are responsible.
- WHEREAS, The proposed IPS does not include any changes to the System's asset allocation, investment strategy, portfolio composition or projected rate of return.
- WHEREAS, Staff and Bogdahn have reviewed the IPS to ensure it conforms to the existing portfolio structure and any Michigan state statutes; Therefore, Be It
- RESOLVED That the Bay County Retirement Board of Trustees approve and adopt the new IPS for the System; Finally, Be It
- RESOLVED That the Chairman of the Board is authorized to execute the new IPS for the System following legal review/approval.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION NEW BAY COUNTY IPS

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray				Matthew Pett				Thomas Herek			
Richard Brzezinski				Jon Morse				Richard Gromaski			
Kim Coonan				Thomas Starkweather				Kristal Goetz			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

BAY COUNTY RETIREMENT BOARD
3/10/15
RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD (3/10/15)

WHEREAS, Prudential (PRISA) was selected as the Bay County Employee Retirement System's real estate manager as a result of a manager search early last year.

WHEREAS, After the selection, the Board asked that PRISA be notified that the Board wanted to make an initial investment in their fund. PRISA had a queue of about a year to enter the Fund and has recently informed BCERS that some or all of the requested investment will be "called" at the end of March, 2015.

WHEREAS, As a result, assets are needed to be raised to meet the call, although the exact dollars will not be known until PRISA sends the call request.

WHEREAS, The Plan was overweight to targets as of 12/14 in domestic equities, convertibles, and REITs and under to international equities and the needed real estate commitment. It was also over in domestic large cap growth and value and under in core.

WHEREAS, To help rectify these conditions, about 2.5% was moved from both MFS domestic and Columbia and into Vanguard, and an additional 2.5% from both MFS domestic and Columbia into MFS international and Schrodgers. This resulted in the domestic large cap managers all being close to targets and getting the international area from about 10.6% to 15.6% compared to their 20% target.

WHEREAS, The convertible and REIT accounts were 2.2% and 2.5% overweight as of 12/14 to respective targets of 4.0% and 2.0%, while real estate was not yet funded against its 5.0% target; Therefore, Be It

RESOLVED: That in order to raise funds to meet the expected capital call from PRISA and for other needed cash liquidity requirements, and to rebalance closer to targets, the BCERS Board approves to raise required assets by selling equally from the MacKay Shields convertible portfolio and the Cornerstone REIT account. Further, Be It

RESOLVED That upon favorable review/approval by Corporation Counsel, the Chairman of the Board is authorized to execute the agreement.

STEVE GRAY, CHAIR
AND BOARD

RESOLUTION FUNDING FOR PRISA ACCOUNT

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray				Matthew Pett				Thomas Herek			
Richard Brzezinski				Jon Morse				Richard Gromaski			
Kim Coonan				Thomas Starkweather				Kristal Goetz			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____
 Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____

**BAY COUNTY
DEPARTMENT OF CORPORATION COUNSEL**



SHAWNA S. WALRAVEN
Assistant Corporation Counsel

THOMAS L. HICKNER
Bay County Executive

TO: STEVE GRAY, CHAIR, BAY COUNTY EMPLOYEES
RETIREMENT SYSTEM

FROM: SHAWNA S. WALRAVEN, ASSISTANT CORPORATION
COUNSEL

RE: MUNICODE

DATE: MARCH 4, 2015

Background:

For many years the County Clerk maintained the Bay County Employees' Retirement System (BCERS) Retirement Ordinance and would update the Retirement Ordinance as changes were made. In 2011, the County Clerk stopped making the necessary updates and the task was reassigned to Corporation Counsel. The Retirement Ordinance has not been updated since 2012 and there are currently 42 pages of the Retirement Ordinance that need updating.

Municode is the publisher that has maintained and codified our Retirement Ordinance for many years. They maintain an online version of our Retirement Ordinance.

A complete and updated version of the Retirement Ordinance is important for members of BCERS as well as those who work for the System.

Financial Impact:

The estimate for this year's update is \$894.

RECOMMENDATION: THAT THIS BOARD APPROVES THIS EXPENSE AT THE
MEETING SCHEDULED ON MARCH 10, 2015 AND INCLUDE AN
ESTIMATE FOR THIS EXPENSE IN THE BUDGET FOR FUTURE
YEARS.

BAY COUNTY RETIREMENT BOARD
3/10/15
RESOLUTION

BY: BAY COUNTY RETIREMENT BOARD (3/10/15)
 WHEREAS, For many years the County Clerk Maintained the Bay County Employees' Retirement System (BCERS) Retirement Ordinance and would update the Retirement Ordinance as changes were made.
 WHEREAS, In 2011, the County Clerk stopped making the necessary updates and the task was reassigned to Corporation Counsel.
 WHEREAS, The Retirement Ordinance has not been updated since 2012 and there are currently 42 pages of Retirement Ordinance that need updating.
 WHEREAS, Municode is the publisher that has maintained and codified our Retirement Ordinance for many years as well as maintaining an online version. A complete and updated version of the Retirement Ordinance is important for members of BCERS as well as those who work for the System. The estimate for this year's update is \$894; Therefore, Be It
 RESOLVED That the Bay County Retirement Board approves this expense and budgets this expense in future Retirement System budgets.

STEVE GRAY, CHAIR
 AND BOARD

RESOLUTION MUNICODE

MOVED BY TRUSTEE _____

SUPPORTED BY TRUSTEE _____

TRUSTEE	Y	N	E	TRUSTEE	Y	N	E	TRUSTEE	Y	N	E
Steve Gray				Matthew Pett				Thomas Herek			
Richard Brzezinski				Jon Morse				Richard Gromaski			
Kim Coonan				Thomas Starkweather				Kristal Goetz			

Vote Totals:

Roll Call: Yeas _____ Nays _____ Excused _____

Voice: Yeas _____ Nays _____ Excused _____

Disposition: Adopted _____ Defeated _____ Withdrawn _____
 Amended _____ Corrected _____ Referred _____



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

BAY COUNTY BUILDING
515 CENTER AVENUE
BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pelt
Thomas Starkweather
Kristal Goetz

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4039

February 23, 2015

Mr. Alan Puklin
Columbia Management
100 Park Avenue – 7th Floor
New York, NY 10017

Dear Mr. Puklin:

There is a need for the Bay County Employee's Retirement System to rebalance its asset allocation therefore, I am requesting that Columbia Management divest themselves of \$15,941,000.00 (fifteen million nine hundred forty one thousand dollars) and make funds available for the Northern Trust Company on Thursday, February 27, 2015.

If you have any questions regarding this matter feel free to contact me at (989) 895-2007.

Sincerely,

Crystal Hebert

Finance Officer/Secretary

- c: Bay County Employees' Retirement System Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Larry Fumarolo, The Northern Trust Company
Rebecca Marsters, Retirement Administrator



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

BAY COUNTY BUILDING
515 CENTER AVENUE
BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Richard Gromaski
Tom Herek
Jon Morse
Matthew Poll
Thomas Starkweather
Kristal Goetz

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4039

February 23, 2015

Ms. Kimberly Hyland
MFS Investment Management
500 Boy Iston Street, 21st Floor
Boston, MA 02116

Dear Ms. Hyland:

There is a need for the Bay County Employee's Retirement System to rebalance its asset allocation therefore, I am requesting that MFS Investment Management divest themselves of \$16,500,000.00 (sixteen million five hundred thousand dollars) and make funds available for the Northern Trust Company on Thursday, February 27, 2015.

If you have any questions regarding this matter feel free to contact me at (989) 895-2007.

Sincerely,

A handwritten signature in cursive script that reads "Crystal Hebert".

Crystal Hebert
Finance Officer/Secretary

c: Bay County Employees' Retirement System Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Larry Fumarolo, The Northern Trust Company
Rebecca Marsters, Retirement Administrator



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

BAY COUNTY BUILDING
515 CENTER AVENUE
BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pett
Thomas Starkweather
Kristal Goetz

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4039

February 25, 2015

Ms. Kimberly Hyland
MFS International Growth
111 Huntington Avenue
Boston, MA 02199-7618

Dear Ms. Hyland:

There is a need for the Bay County Employee's Retirement System to rebalance its asset allocation; therefore, please follow the wire instructions on the attached CIT Trade Notification in the amount of \$9,340,750.00 on February 27, 2015.

If you have any questions regarding this matter feel free to contact me at (989) 895-2007.

Sincerely,

Crystal Hebert
Finance Officer/Secretary

c: Bay County Employees' Retirement System Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Larry Fumarolo, The Northern Trust Company
Rebecca Marsters, Retirement Administrator
Thomas Shanley, MFS



BAY COUNTY EMPLOYEES' RETIREMENT SYSTEM
BAY COUNTY VOLUNTARY EMPLOYEES' BENEFICIARY ASSOCIATION

BAY COUNTY BUILDING
515 CENTER AVENUE
BAY CITY, MICHIGAN 48708-5128

Thomas L. Hickner
Bay County Executive

Crystal Hebert
Finance Officer/Secretary

BOARD OF TRUSTEES
Steven Gray, Chairperson
Richard Brzezinski
Kim Coonan
Richard Gromaski
Tom Herek
Jon Morse
Matthew Pelt
Thomas Starkweather
Kristal Goetz

ADMINISTRATIVE STAFF
Tiffany Jerry
Rebecca Marsters
(989) 895-4043
TDD (989) 895-4049
FAX (989) 895-4039

February 25, 2015

Allie Koonin
Schroders Investment Management North America
875 Third Avenue – 22nd Floor
New York, NY 10026

Dear Ms. Koonin:

There is a need for the Bay County Employee's Retirement System to rebalance its asset allocation; therefore, please follow the wire instructions on the attached Schroder International Small Companies Fund Additional Subscription Request for Existing Investors in the amount of \$ 7,686,250.00 on February 27, 2015.

If you have any questions regarding this matter feel free to contact me at (989) 895-2007.

Sincerely,

Crystal Hebert
Finance Officer/Secretary

c: Bay County Employees' Retirement System Board of Trustees
Howard Pohl, The Bogdahn Group
Peter Brown, The Bogdahn Group
Larry Fumarolo, The Northern Trust Company
Rebecca Marsters, Retirement Administrator
Cathie Mazza



MAPERS 2015 SPRING CONFERENCE REGISTRATION FORM

Sunday, May 17 - 19, 2015
Soaring Eagle Resort - Mount Pleasant, MI

Deadline for Early Registration is April 17, 2015

1. MEMBER BADGES: (PLEASE PRINT CLEARLY!)

Organization Name: _____

Attendee Name: _____

Preferred First Name for Badge: _____

Phone: _____ Fax: _____

Email Address: _____

Address: _____

City/State/Zip Code: _____

2. ATTENDEE SURVEY:

- ☐ I am a first time MAPERS attendee.
- ☐ I am a Plan Administrator and will attend the Administrator's Workshop Breakfast on Monday, September 15th (*ribbon required for entry*)
- ☐ I will attend the Legislative Committee Meeting on Monday, September 15th
- ☐ I require special meal or assistance. Please detail: _____

3. GUEST: (BADGES MUST BE WORN AT ALL TIMES)

(A guest is a spouse, family member, etc. NO BUSINESS ASSOCIATES PLEASE!)

Guest Name: _____

4. REGISTRATION FEES:

	BEFORE 4/17/15	4/17-5/14/15	AFTER 5/14/15
Plan/Affiliate Member.....	\$275	\$325	\$375
Corporate Member.....	\$325	\$375	\$425
*Plus Associate Membership Dues.....	\$525	\$575	\$625
Guest.....	\$75	\$75	\$100

Total Amount Due:\$_____

*Your firm's conference attendance is limited to the number of associate memberships which they have purchased. Substitutions of those listed may be made, however, firm attendees over this number must purchase an associate membership (annual dues \$200 Jan. 1 thru Dec. 31).

5. PAYMENT:

Payment Method: ☐ American Express ☐ VISA ☐ MasterCard ☐ Check

Credit Card #: _____ Exp.: _____ CCV: _____

Card Holder Signature: _____

Card Holder Name: _____

Please make check payable to MAPERS and mail to: 525 E. Michigan Ave. #409, Saline, MI 48176.

Cancellation Policy: Should you be unable to attend for any reason, please inform us IN WRITING prior to May 1, 2015, and a full refund less a \$25 processing fee will be issued. No refunds or credits will be given for cancellations received after May 1st. Substitutions of paid attendees may be made at any time. All refunds will be processed post-conference. Please fax your cancellation request to (734) 944-1145 or email mdoran@mapers.org.

3 WAYS TO REGISTER:

By Mail: Complete the registration form and indicate whether you are paying by credit card or check. Mail your completed registration form to: MAPERS, 525 E. Michigan Ave., #409, Saline, MI 48176

By Fax: Complete the registration form and indicate that you are paying by credit card. Fax the completed form to: (734) 944-1145.

On-line: Log onto the MAPERS Website, www.mapers.org, and choose "Events" then select "2015 Spring Conference Registration". You can either complete the form on-line and send it electronically to MAPERS (you must use a credit card to register on-line) or printout the form and mail or fax your registration to MAPERS.

We cannot accept telephone registrations. Your registration is not completed until payment has been received by MAPERS.

Once a completed registration form, accompanied by full payment, has been received, a confirmation letter will be emailed to you. Please be sure to bring this letter with you and present it at registration in order to receive your official conference materials.

GUEST REGISTRATION:

(21 and over) \$75.00 per person. In order to participate and attend MAPERS functions, a spouse/guest must be registered. Registration fee includes breakfast Monday and Tuesday, Networking Reception Sunday evening, and the dinner and entertainment on Monday (excludes lunch on Monday, September 15th).

CHILDREN:

Children (under 21) of paid conference attendees are welcome to join the group for breakfast on Monday and Tuesday and dinner Monday evening. We ask that children under 21 not attend the Sunday Networking Reception.

ATTIRE:

Business casual attire is appropriate for all MAPERS educational sessions and social functions. As the temperature is difficult to regulate in meeting rooms, we suggest dressing in layers.

Casual attire is expected for Monday night's "Under the Big Top" dinner.

CONFERENCE AGENDA:

Speakers and topics are subject to change. In the event of a speaker cancellation, every effort will be made to find a replacement. Watch our website for updates to the agenda.



PRELIMINARY AGENDA

Sunday, May 17, 2015

11:00 AM – 5:00 PM

Registration

11:30 AM – 12:00 PM

First Time Attendee/New Member Session

Speakers: MAPERS Board Members

12:00 – 12:30 PM

Event Board Demonstration

12:30 – 1:30 PM

Actuary Hour

Speaker: Larry Langer, Buck Consultants

2:00 – 5:00 PM

Trustee Development Seminar Series III: "Benefits Administration"

Speaker: Michael VanOverbeke, VanOverbeke, Michaud & Timmony, PC

5:00 – 6:00 PM

MAP Test: Levels 1, 2, and 3

8:30 – 10:30 PM

Welcome Networking Reception (Registration Open)

Monday, May 18, 2015

7:30 AM – 4:00 PM

Registration

7:30 – 8:45 AM

Group and Registered Guest Breakfast

Legislative Workshop Breakfast

Administrator's Workshop Breakfast

Moderator: Thomas Michaud, VanOverbeke, Michaud & Timmony, PC

9:00 – 10:00 AM General Session One

"Kentucky Fried Pensions"

Speaker: Chris Tobe

10:15 – 11:15 AM General Session Two

MAPERS Legislative and Legal Update

Speakers: Noah Smith and Ben Bodkin, Capitol Services, Inc. and Michael VanOverbeke, VanOverbeke, Michaud & Timmony, PC

11:15 AM – 12:45 PM

MAPERS Business Meeting and Luncheon

1:00 – 1:45 PM CONCURRENT SESSIONS

Session A: "The Dawn of a New Era for North American Energy: Fact, Fiction, and the Investment Case for Master Limited Partnerships in Michigan Municipal Pension Funds"

Speaker: James L. Carroll, Pointe Capital Management

Session B: "Shareholder Litigation Involving Mergers and

Speaker: Randall J. Baron, Robbins Geller Rudman & Dowd LLP

Session C: New Trustee Workshop

Speakers: Thomas Michaud, VanOverbeke, Michaud & Timmony, PC and Lauri Siskind, MAPERS Board Member

2:00 – 2:45 PM CONCURRENT SESSIONS

Session D: "Market Trends: How and Why the Global Markets Have Become So Correlated – Who has benefited and who will benefit?"

Speaker: Michael S. Dzialo, Managed Asset Portfolios

Session E: "Good News! We're Living Longer"

Speaker: David T. Kausch, Gabriel, Roeder, Smith & Co.

3:00 – 3:45 PM CONCURRENT SESSIONS

Session F: "New Solutions for Your Indexed Bond Portfolio"

Speaker: Kevin Yousif, CFA, LS Investment Advisors

Session G: "The Hidden (and not so hidden) Costs of Investing"

Speaker: Joe Bogdahn, The Boghdan Group

4:00 – 5:00 PM

Corporate Advisory Meeting

MAP Test: Levels 1, 2, 3

6:30 – 11:00 PM

"Under the Big Top" Dinner and Entertainment featuring The Libido Funk Circus band

Tuesday, May 19, 2015

7:30 – 11:30 AM

Registration

7:30 – 9:00 AM

Group and Registered Guest Breakfast

9:00 – 10:00 AM General Session Three

Michigan Economy Update

Speaker: David Sowerby, Loomis Sayles & Company, L.P.

10:15 – 11:15 AM General Session Four

"A Retirement Program Built to Last"

Speaker: Randy Gomez, Nyhart